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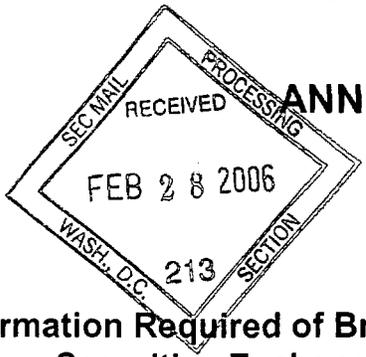
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OMB APPROVAL	
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
<del>8-BD-13464</del>

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING AND ENDING January 1, 2005 AND ENDING December 31, 2005  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

**NAME OF BROKER-DEALER:**

Nuveen Investments, LLC

OFFICIAL USE ONLY
_____
FIRM ID. NO.

**ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)**

333 West Wacker Drive

(No. and Street)

Chicago

Illinois

60606

(City)

(State)

(Zip Code)

**NAME AND TELEPHONE NUMBER OF PERSON TO CONTRACT IN REGARD TO THIS REPORT**

Margaret E. Wilson

(312) 917-6801

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KPMG LLP

Name — if individual, state last, first, middle name)

303 East Wacker Drive

Chicago,

Illinois

60601

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possession.

**PROCESSED**  
APR 21 2006  
THOMSON  
FINANCIAL

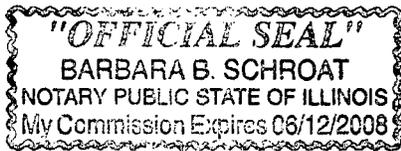
FOR OFFICIAL USE ONLY

- Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

BB  
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## OATH OR AFFIRMATION

I, Margaret E. Wilson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Nuveen Investments, LLC, as of December 31, 2005 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal, officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Barbara B. Schroat  
Notary Public

Margaret E. Wilson  
Signature  
Senior Vice President, Finance  
Title

This report \*\*contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath of Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*



**KPMG LLP**  
303 East Wacker Drive  
Chicago, IL 60601-5212

## **Independent Auditors' Report**

The Board of Directors  
Nuveen Investments, LLC:

We have audited the accompanying statement of financial condition of Nuveen Investments, LLC (the Company), a subsidiary of Nuveen Investments, Inc., as of December 31, 2005, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

February 27, 2006

**NUVEEN INVESTMENTS, LLC**  
**Statement of Financial Condition**  
**December 31, 2005**  
**(in thousands, except share data)**

**ASSETS**

Cash and cash equivalents	\$	57,636
Receivables:		
Distribution fees		5,704
Brokers and dealers		8,826
Customers		221
Interest		85
Due from affiliates		12,452
Other		6,190
Furniture, equipment, and leasehold improvements, at cost less accumulated depreciation and amortization of \$49,791		10,765
Advanced commissions		14,627
Other assets		29
	\$	116,535

**LIABILITIES AND MEMBER'S EQUITY**

***Liabilities:***

Securities sold under agreements to repurchase	\$	20,072
Payables:		
Brokers and dealers		4,317
Customers		326
Accrued compensation and other expenses		12,214
Current income taxes payable, net		19
Deferred tax liability, net		781
Other liabilities		7,952
Total liabilities		45,681

***Member's equity:***

Units, \$5 par value, 20,000 units authorized, 2,200 units issued and outstanding		11
Additional paid-in capital		10,608
Retained earnings		62,587
Accumulated other comprehensive loss, net of tax		(2,352)
Total member's equity		70,854
	\$	116,535

*See accompanying notes to statement of financial condition.*

**NUVEEN INVESTMENTS, LLC**  
**Notes to Statement of Financial Condition**  
December 31, 2005

**(1) Summary of Significant Accounting Policies**

*General Information and Basis of Presentation*

The statement of financial condition reflects the accounts of Nuveen Investments, LLC (the "Company"). The Company is a wholly owned subsidiary of Nuveen Investments, Inc. ("Nuveen Investments" or the "Parent").

Nuveen Investments, LLC, a registered broker/dealer in securities under the Securities Exchange Act of 1934, provides investment product distribution and related services for managed funds.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results could differ from these estimates.

*Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand, investment instruments with maturities of three months or less and other highly liquid investments including commercial paper, which are readily convertible to cash. Included in cash and cash equivalents are \$4,967,542 of treasury bills segregated in a special reserve account for the benefit of customers under rule 15c3-3 of the Securities and Exchange Commission.

*Securities Purchased Under Agreements to Resell / Securities Sold Under Agreements to Repurchase*

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions and are carried at the amounts at which such securities will be subsequently resold or repurchased, including accrued interest. The Company's exposure to credit risks associated with the nonperformance of counterparties in fulfilling these contractual obligations can be directly impacted by market fluctuations that may impair the counterparties' ability to satisfy their obligations. It is the Company's policy to take possession of the securities underlying the agreements to resell or enter into tri-party agreements, which include segregation of the collateral by an independent third party for the benefit of the Company. The Company monitors the value of these securities daily and, if necessary, obtains additional collateral to assure that the agreements are fully secured.

The Company utilizes repurchase agreements to invest cash not required to fund daily operations. Such repurchase agreements typically mature on the day following the day in which the Company enters into such agreements. Since these agreements are highly liquid investments, readily convertible to cash, and mature in less than three months, the Company includes these amounts in cash equivalents for statement of financial condition and cash flow purposes. At December 31, 2005, the Company had \$20,004,656 of securities purchased under agreements to resell with an outside third party. In addition, from time to

NUVEEN INVESTMENTS, LLC  
Notes to Statement of Financial Condition  
December 31, 2005

**(1) Summary of Significant Accounting Policies (Continued)**

time, the Company acts as agent for the Parent to invest excess cash. At December 31, 2005, the Company had \$20,071,817 of securities sold under agreements to repurchase with the Parent.

*Securities Transactions*

Securities transactions entered into by the Company are recorded on a settlement date basis, which is generally three business days after the trade date. Securities owned (trading accounts) are valued at market value and realized and unrealized gains and losses are reflected in other revenue. Profits and losses are accrued on unsettled securities transactions based on trade dates and, to the extent determinable, on underwriting commitments, purchase and sales commitments of when-issued securities, and delayed delivery contracts.

As part of its clearing function for an affiliate, in the normal course of business, the Company purchases municipal bonds and from time to time, U.S. government obligations. At December 31, 2005, the Company's inventory of securities owned did not contain any significant concentrations of credit risk relating to either individual issues or to issuers (or groups of issuers) located in any state or region of the country and is reflected in Other Assets on the Statement of Financial Condition.

*Furniture, Equipment and Leasehold Improvements*

Furniture and equipment, primarily computer equipment, is depreciated on a straight-line basis over estimated useful lives ranging from three to ten years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the remaining term of the lease. The Company capitalizes certain costs incurred in the development of internal-use software. Software development costs are amortized on a straight-line basis over a period of not more than five years.

*Advanced Commissions*

Advanced commissions consist of commissions advanced by the Company on sales of certain mutual fund shares. Such commissions are being amortized over the lesser of the Securities and Exchange Commission Rule 12b-1 revenue stream period (one to eight years) or the period during which the shares of the fund upon which the commissions were paid remain outstanding.

*Accumulated Other Comprehensive Income*

For the year ended December 31, 2005, the Company updated certain actuarial assumptions used to determine the accumulated benefit obligation ("ABO") for its qualified pension plan. As a result, the Company's qualified pension plan was determined to be underfunded on a GAAP basis as of December 31, 2005. Consequently, a charge was recorded to member's equity, net of income tax benefits, as a component of other comprehensive loss for approximately \$2.4 million.

**NUVEEN INVESTMENTS, LLC**  
**Notes to Statement of Financial Condition**  
December 31, 2005

**(1) Summary of Significant Accounting Policies (Continued)**

*Income Taxes*

Taxable income of the Company is included in the consolidated federal income tax return of Nuveen Investments, to whom income tax payments are made. Federal and state income taxes are computed on income taxable under applicable tax laws and on a separate return basis. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are applicable to periods in which the differences are expected to affect taxable income. Although valuation allowances may be established, when necessary, to reduce deferred tax assets to amounts expected to be realized, there were no deferred tax asset valuation allowances at December 31, 2005.

The tax effect of significant items which give rise to deferred tax assets and liabilities recorded on the Company's statement of financial condition at December 31, 2005 are shown in the following table:

	(in thousands)
Gross deferred tax assets:	
Accrued post-retirement benefit obligation	\$ 3,948
Book amortization/depreciation in excess of tax amortization/depreciation	3,569
Non-qualified pension plan costs	439
Construction abatement	453
Other	945
Gross deferred tax assets	<u>9,354</u>
Gross deferred tax liabilities:	
Qualified pension plan costs	235
Deferred commissions and offering costs	5,923
Internally developed software	3,965
Other	12
Gross deferred tax liabilities	<u>10,135</u>
Net deferred tax liability	<u>\$ 781</u>

The future realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management believes it is more likely than not the Company will realize the benefits of these future tax deductions.

Federal and state income taxes paid by the Company during 2005, which totaled approximately \$3,734,000, include required payments on estimated taxable income and final payments of prior year taxes required to be paid upon filing the final federal and state tax returns, reduced by refunds received.

**NUVEEN INVESTMENTS, LLC**  
**Notes to Statement of Financial Condition**  
December 31, 2005

**(3) Commitments and Contingencies**

In the normal course of business, the Company enters into when-issued, delayed delivery, and underwriting commitments. Estimated profits and losses on those commitments are reflected in the financial statements at year-end.

**(4) Pension and Post-Retirement Plans**

The Company maintains a non-contributory qualified pension plan, a non-contributory excess pension plan (described below), and a post-retirement benefit plan. The non-contributory qualified pension plan and the post-retirement benefit plan cover the majority of employees of the Company as well as employees of the Parent and certain of the Parent's subsidiaries. Costs associated with these plans are allocated among the Company, the Parent and such subsidiaries. Pension benefits are based on years of service and the employee's average compensation during the highest consecutive five years of the employee's last ten years of employment. The Company's funding policy is to contribute annually at least the minimum amount that can be deducted for federal income tax purposes. Effective March 24, 2003, the pension plans were amended to only include employees who qualified as plan participants prior to such date. On March 31, 2004, the plans were amended to provide that existing plan participants will not accrue any new benefits under the plans after March 31, 2014. Additionally, the Company currently maintains a post-retirement benefit plan providing certain life insurance and health care benefits for retired employees and their eligible dependents. The cost of these benefits is shared by the Company and the retiree.

The non-contributory excess pension plan is maintained by the Company for certain employees who participate in the qualified pension plan and whose pension benefits exceed the Section 415 limitations of the Internal Revenue Code. Pension benefits for this plan follow the vesting provisions of the qualified plan with new participation frozen and benefit accruals ending as described in the prior paragraph. Funding is not made under this plan until benefits are paid, absent a change in control of the Company.

For purposes of our financial statements, our plans' measurement date is December 31. The market-related value of plan assets is determined based on the fair value at measurement date. The projected benefit obligation is determined based on the present value of projected benefit distributions at

**NUVEEN INVESTMENTS, LLC**  
**Notes to Statement of Financial Condition**  
December 31, 2005

**(4) Pension and Post-Retirement Plans (Continued)**

an assumed discount rate. The discount rate used reflects the rate at which we believe the pension plan obligations could be effectively settled at the measurement date, as though the pension benefits of all plan participants were determined as of that date.

An accumulated benefit obligation represents the actuarial present value of benefits. Whether vested or non-vested, they are attributed by the pension benefit formula to employee services rendered before a specified date using existing salary levels. At December 31, 2005, the accumulated benefit obligation for our pension plans was \$31,720,000; for our post-retirement plan, our accumulated benefit obligation at December 31, 2005 was \$9,454,000.

A projected benefit obligation represents the actuarial present value as of a date of all benefits attributed by the pension benefit formula to employee service performed before that date. It is measured using assumptions as to future compensation levels, as the pension benefit formula is based on those future salary levels. The following tables provide a reconciliation of the changes in the plans' projected benefit obligations and fair value of plan assets for the year ended December 31, 2005, and a statement of the funded status as of December 31, 2005:

	<b><u>Pension</u></b> <b><u>Benefits</u></b>	<b><u>Post-retirement</u></b> <b><u>Benefits</u></b>
<b><u>Amounts in (\$000)</u></b>		
<i>Change in projected benefit obligation</i>		
Obligation at January 1, 2005	\$ 30,216	\$ 8,609
Service cost	1,575	256
Interest cost	1,802	518
Actuarial loss	3,434	626
Benefit payments	(615)	(555)
Obligation at December 31, 2005	\$ 36,412	\$ 9,454
<i>Change in fair value of plan assets</i>		
Fair value of plan assets at January 1, 2005	\$ 25,957	\$ -
Actual return on plan assets	1,597	-
Benefit payments	(615)	(555)
Company contributions	-	555
Fair value of plan assets at December 31, 2005	\$ 26,939	\$ -

NUVEEN INVESTMENTS, LLC  
Notes to Statement of Financial Condition  
December 31, 2005

(4) Pension and Post-Retirement Plans (Continued)

<u>Amounts in (\$000)</u>	<u>Pension Benefits</u>	<u>Post-retirement Benefits</u>
<i>Reconciliation of prepaid (accrued) and total amount recognized</i>		
Funded status at December 31, 2005	\$ (9,473)	\$ (9,454)
Accumulated other comprehensive loss	(3,855)	--
Unrecognized prior-service cost	49	(2,453)
Unrecognized net loss	8,375	2,447
Prepaid (accrued) cost at December 31, 2005	\$ (4,904)	\$ (9,460)

Accrued pension and post-retirement benefits are reflected in Accrued Compensation and Other Expenses on the statement of financial condition.

The Company employs a total return approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as small and large capitalizations. Other assets such as real estate are used judiciously to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an on-going basis through quarterly investment portfolio reviews and annual liability measurements.

The expected long-term rate of return on plan assets is estimated based on the plan's actual historical return results, the allowable allocation of plan assets by investment class, market conditions and other relevant factors. We evaluate whether the actual allocation has fallen within an allowable range, and we then evaluate actual asset returns in total and by asset class. The following table presents actual allocation of plan assets, in comparison with the allowable allocation range, both are expressed as a percentage of total plan assets, as of December 31, 2005:

<u>Asset Class</u>	<u>Actual</u>	<u>Allowable</u>
Cash	2%	0-15%
Fixed maturities	32	20-60
Equities	66	30-70
Other	-	0-10
Total	<u>100%</u>	

During 2006, the Company expects to contribute approximately \$92,000 to its excess pension plan and approximately \$515,000 for benefit payments to its post-retirement benefit plan.

**NUVEEN INVESTMENTS, LLC**  
**Notes to Statement of Financial Condition**  
December 31, 2005

**(4) Retirement Plans (Continued)**

The following table provides the expected benefit payments for each of the plans in each of the next five years as well as for the aggregate of the five fiscal years thereafter:

<u>Expected Benefit Payments</u> <u>Amounts in (\$000)</u>	<u>Pension</u> <u>Benefits</u>	<u>Post-retirement</u> <u>Benefits</u>
2006	\$ 1,410	\$ 515
2007	1,407	551
2008	2,303	575
2009	1,746	607
2010	1,845	624
2011 - 2015	13,083	3,335

The Company's qualified and non-qualified pension plans' projected benefit obligations exceed the fair value of plan assets for the year ended December 31, 2005. The Company's post-retirement benefits plan has no plan assets. The accumulated post-retirement benefit plan obligation is \$9,454,000 as of December 31, 2005.

The following table provides the components of net periodic benefit costs (a portion of which has been allocated to the other subsidiaries of the Parent) for the plans for the year ended December 31, 2005:

<u>Amounts in (\$000)</u>	<u>Pension</u> <u>Benefits</u>	<u>Post-retirement</u> <u>Benefits</u>
Service cost	\$ 1,575	\$ 256
Interest cost	1,802	518
Expected return on plan assets	(2,164)	--
Amortization of prior-service cost	1	(265)
Amortization of net loss	135	64
Net periodic benefit cost	<u>\$ 1,349</u>	<u>\$ 573</u>

NUVEEN INVESTMENTS, LLC  
Notes to Statement of Financial Condition  
December 31, 2005

**(4) Retirement Plans (Continued)**

The assumptions used in the measurement of the Company's benefit obligation as of December 31, 2005 are shown in the following table:

	<u>Pension Benefits</u>	<u>Post-retirement Benefits</u>
Weighted-average assumptions as of December 31, 2005		
Discount rate	5.75%	5.75%
Rate of compensation increase	4.50%	N/A

The assumptions used in the determination of the Company's net cost for the fiscal year ended December 31, 2005 are shown in the following table:

	<u>Pension Benefits</u>	<u>Post-retirement Benefits</u>
Weighted-average assumptions as of December 31, 2005		
Discount rate	6.00%	6.00%
Return on plan assets	8.50%	N/A
Rate of compensation increase	4.50%	N/A

For measurement purposes, an 8% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2006 and gradually declines to a 5% annual rate of increase by the year 2009.

Assumed health care trend rates have a significant effect on the amounts reported for the health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

<u>Amounts in (\$000)</u>	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total service and interest cost	\$146	\$(123)
Effect on the health care component of the accumulated post-retirement benefit obligation	\$1,322	\$(1,160)

**NUVEEN INVESTMENTS, LLC**  
**Notes to Statement of Financial Condition**  
December 31, 2005

**(4) Retirement Plans (Continued)**

The Company has a 401(k)/profit sharing plan that covers the majority of its employees, including employees of the Parent and the Parent's subsidiaries. Amounts determinable under the plan are contributed in part to a profit sharing trust qualified under the Internal Revenue Code with the remainder paid as cash bonuses, equity awards and matching 401(k) employee contributions.

The Company has a nonqualified deferred compensation program whereby certain key employees of the Company as well as the employees of the Parent and the Parent's subsidiaries can elect to defer receipt of all or a portion of their cash bonuses until a date certain or until retirement, termination, death or disability. The deferred compensation liabilities incur interest expense at the prime rate or at a rate of return of one of several managed funds sponsored by the Company, as selected by the participant. The Company mitigates its exposure relating to participants who have selected a fund return by investing in the underlying fund at the time of the deferral.

**(5) Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Rule 15c3-1, the "Uniform Net Capital Rule", which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, as these terms are defined, shall not exceed 15 to 1. At December 31, 2005, the Company's net capital ratio was 1.18 to 1 and its net capital was approximately \$20,065,200, which is \$18,491,700 in excess of the required net capital of \$1,573,500.



KPMG LLP  
303 East Wacker Drive  
Chicago, IL 60601-5212

**Independent Auditors' Report on  
Internal Control Required by Securities Exchange Commission Rule 17a-5**

The Board of Directors  
Nuveen Investments, LLC:

In planning and performing our audit of the statement of financial condition of Nuveen Investments, LLC (the Company), a subsidiary of Nuveen Investments, Inc., for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the statement of financial condition and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e);
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13;
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the statement of financial condition in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the statement of financial condition being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 27, 2006



**NUVEEN INVESTMENTS, LLC**

**Statement of Financial Condition**

**December 31, 2005**

**(With Independent Auditors' Report Thereon)**