



Form ADV Part 2A

NWQ INVESTMENT MANAGEMENT COMPANY, LLC

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This brochure provides information about the qualifications and business practices of NWQ Investment Management Company, LLC. If you have any questions about the contents of this brochure, please contact us at (310)712-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about NWQ Investment Management Company, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This section currently is not applicable. This brochure, dated March 31, 2011, has been prepared in accordance with new regulatory requirements. As a result, it is different in structure and content from our previous Form ADV, Part II. In the future, this page will be used to provide clients with a summary of material changes that are made to this brochure since the last annual update.

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ITEM 4 ADVISORY BUSINESS

Principal Owners

NWQ Investment Management Company was founded in April 1982 and began providing investment management services that year. In 1992, the company was acquired by United Asset Management Corporation, which in turn was acquired by Old Mutual in 2000. On August 1, 2002, Nuveen Investments, Inc. (“Nuveen”) purchased the company from Old Mutual and merged it into NWQ Investment Management Company, LLC (“NWQ”). NWQ has been an SEC-registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”) throughout its entire history.

Effective March 1, 2006, NWQ underwent an internal reorganization that resulted in the creation of a new affiliate (also a Nuveen subsidiary), Tradewinds Global Investors, LLC (“Tradewinds”), which was formed to focus on global and international investing efforts. Approximately \$19.2 billion in assets transitioned from NWQ to Tradewinds at that time.

In December 2006, non-investment support functions (e.g. Operations, Account Administration, Marketing/Client Service, Information Technology, Legal and Compliance, Human Resources, Finance and Administration) were transferred to a shared services platform under Nuveen Investments, Inc., (“Nuveen”), NWQ’s indirect parent.

NWQ is principally owned by NWQ/Tradewinds Holdings, LLC, a direct subsidiary of Nuveen. Although a subsidiary of Nuveen, NWQ maintains autonomy with regard to personnel, investment philosophy, process, style, and client relationships.

Nuveen was founded in 1898 and is an indirect subsidiary of a holding company formed by equity investors led by Madison Dearborn Partners, LLC (“MDP”). MDP private equity funds (specifically, MDCP Holdco (Windy), LLC, which is indirectly controlled by Madison Dearborn Partners V-A&C, L.P.) comprise the ultimate principal owner of NWQ. For additional information on ownership, please see the response to Item 10.

Types of Advisory Services

NWQ offers investment advisory services utilizing a value-oriented style in managing equity, fixed income and balanced investment strategies across the capitalization spectrum. For additional information regarding NWQ’s investment strategies, please see the response to Item 8.

NWQ provides investment advisory services to a wide variety of retail and high net worth individual and institutional clients, including corporate and multi-employer plans, charitable organizations, educational institutions, trust accounts, estates, corporations or

other business entities, banks and thrift institutions, insurance companies, governments and municipalities.

Additionally, NWQ provides investment sub-advisory services to affiliated and unaffiliated open-end and closed-end investment companies registered under the Investment Company Act of 1940, as amended (the “1940 Act”), collective investment trusts, and investment companies with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between funds pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities (“UCITS”)), (each, a “Fund” and collectively, the “Funds”).

NWQ also provides investment advice for a number of private investment funds which are generally organized as domestic limited partnerships (“Onshore Funds”) or as Cayman Islands exempted companies (“Offshore Funds” and together with the Onshore Funds, the “Private Funds”).

NWQ also provides investment advisory services to institutional and individual clients through wrap fee and dual contract programs managed account programs (the “Managed Accounts”) sponsored by broker-dealers and/or other financial intermediaries (the “Program Sponsors”). Although most services are provided on a discretionary basis, NWQ also provides certain services on a non-discretionary and model portfolio basis.

For additional information regarding NWQ’s clients, please see the response to Item 7.

Investment Restrictions

NWQ generally tailors its advisory services to the individual needs of its clients subject to directions, guidelines and limitations imposed by the client or, in the case of a Managed Account, the Program Sponsor. Upon acceptance of the account and throughout the ongoing relationship, NWQ receives and reasonably relies on information or directions communicated by the client, Program Sponsor, adviser, broker, consultant, agent, representative or any other party acting with apparent authority on behalf of the client.

Upon engaging NWQ as investment adviser, a client selects an investment strategy that may be changed upon reasonable request to NWQ. The client may request reasonable restrictions on the management of its account, and after review and agreement, NWQ will manage the account in accordance with the agreed upon guidelines. Although NWQ seeks to provide individualized investment advice to its discretionary client accounts, NWQ will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with NWQ’s investment philosophy, and NWQ may decline to accept or terminate client accounts with such restrictions.

NWQ is committed to a fully invested approach and under most circumstances cash or cash equivalents are not expected to exceed 10% of a client’s portfolio for an extended

period of time. However, if NWQ's investment team determines there are an insufficient number of securities that meet NWQ's investment criteria, or during periods of orderly investment of client funds, including but not limited to the initial start-up of the relationship, a client portfolio may hold outsized levels of cash reserves temporarily, or for an extended period of time for defensive purposes.

Similarly, in periods of market volatility, NWQ may be unable to invest new money contributed to an account, or proceeds from the sale of securities, as quickly as it might have been able to do under normal market conditions. Similarly, NWQ may be unable to sell securities to raise cash, or accommodate a terminating client's request to sell securities, as quickly as it might have been able to do under normal market conditions, or at favorable prices. Depending on market movements, such delays could have an adverse impact on client accounts. In such periods of market volatility, NWQ may also, when deemed advisable, deviate from its normal trading practices with respect to sequencing and allocation of transactions. Market volatility and/or the lack of attractive investment opportunities may also cause NWQ to deviate from applicable account guidelines. In such circumstances, it may be an extended period of time before the account is restored to compliance with applicable guidelines. NWQ will use reasonable efforts to restore the account to compliance with applicable guidelines in a prudent manner under the circumstances.

Except as otherwise agreed upon by NWQ and the client, NWQ does not have any responsibility for the selection of the short term investment vehicle utilized by the client. Clients, their consultants, their financial advisers or their custodians select the interest bearing accounts and/or short-term investment or money-market funds in which cash reserves are invested. NWQ also is not responsible for the selection of a client's custodian.

Securities may be sold without regard to the length of time they have been held and clients are responsible for any tax consequences of such transactions. NWQ follows the directions of a client or Program Sponsor regarding harvesting tax losses, subject to certain scope, amount and timing limitations. In providing such directions, the client or Program Sponsor is responsible for understanding the potential benefits and consequences of the directions in light of the client's particular tax situation. Daily market risk fluctuations may affect the dollar amount of gain or loss. The monetary benefit created by tax loss selling may not exceed the risk of not being fully invested during that time. Executing tax sales (and repurchases) may adversely affect performance. Proceeds from tax sales that have resulted in losses are generally reinvested in ETFs or other pooled investment vehicles during the wash sale period. NWQ is not a tax advisor and does not provide advice as to the tax consequences of any transactions. Accordingly, clients should consult with their own tax advisor to review their particular tax circumstances.

Some clients may not be able to hold all types of investment securities or participate in certain corporate actions relating to portfolio holdings due to limitations or operational impediments associated with a client's custodian. NWQ therefore may not purchase certain securities or participate in certain corporate actions for some accounts where it

believes it is not in the client's best interest because such impediments may have an adverse effect on NWQ's ability to manage the client's account. For example, some accounts may not be able to hold foreign securities in ordinary form because of custodial limitations. NWQ may purchase ordinary shares ("ORDs") of foreign securities in foreign markets and arrange for these ordinary shares to be converted into American Depositary Receipts ("ADRs"). Fees and costs associated with the conversion and purchase of ADRs are typically included in the net price of the ADR and incurred by the purchasing account. Some portion of such costs may be attributable to local broker fees, stamp fees, and local taxes. Trades on foreign exchanges may incur greater transaction charges than trades on U.S. exchanges.

NWQ may also have difficulty liquidating certain client positions if NWQ holds a large percentage of a particular class of securities of an issuer. These securities may be illiquid due to NWQ's large ownership position and as such there may be a limited market for resale, which may adversely affect the value of the security if NWQ tries to sell all or a portion of the security.

In connection with an account termination, a client may request the liquidation of the account's portfolio securities. NWQ will generally honor such requests except where liquidation is impossible or impracticable (*e.g.*, where NWQ is unable to liquidate an illiquid security). In these instances, NWQ may deliver portfolio securities to the client in kind.

To the extent NWQ exercises discretionary authority with respect to its clients that are the Funds and the Private Fund assets, it does so in a manner that is consistent with the investment objectives, strategies and limitations as disclosed in the Funds' Offering Documents or the Private Funds' Offering Memorandum. NWQ's discretion is also subject to the oversight of the respective Fund's governing body (*e.g.*, board of directors) and may be subject to the oversight of another investment adviser. In addition, the collective investment trusts are subject to the ultimate authority and responsibility of the respective trustee and NWQ's discretion is limited to the parameters provided by and overseen by the respective trustee.

NWQ provides investment advisory services to Managed Account clients based upon the particularized needs of the client as reflected in information provided to NWQ by the Program Sponsor. Each client in a Managed Account Program in which NWQ participates generally has the ability to impose reasonable restrictions on the management of its account. In such instances and, after review and agreement, NWQ will refrain from buying certain securities or types of securities the client does not wish to own. For Managed Account Programs, NWQ will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with NWQ's investment approach.

Other Information about Management of Client Portfolios

NWQ's portfolio managers are responsible for implementing investment decisions with respect to the investment strategy selected by an advisory client or Program Sponsor. Implementation of a client's investment strategy involves identification and selection of specific securities and investments to be purchased in light of current and anticipated economic and market conditions, taking into account guidelines, limitations and information relating to the client, legal restrictions and NWQ's internal strategy guidelines.

As a result, NWQ frequently combines orders in the same security for many client portfolios within the same investment strategy. In some circumstances, the combined order may also include client portfolios managed according to other investment strategies that are purchasing or selling the same security. After an order that includes multiple client portfolios is generated, it may take days, or several weeks in the case of less liquid securities, for the order to be executed for all client portfolios. Although an order for a specific portfolio may have been in compliance with a client's guidelines at the time order was generated, the delay in the execution of the order may result in a deviation from the client's guidelines. Moreover, the automated pre-trade compliance system that NWQ uses considers open orders for a client portfolio when it pre-clears a trade for that portfolio. Execution of less than all of the outstanding orders for a client's portfolio may result in executing orders based on information that does not represent the current position which in turn may result in a deviation from the client's guidelines.

NWQ believes that any such deviations are generally minimal and that trimming such positions to bring the portfolio under the designated limit may result in unnecessary transaction costs without incremental benefit to the client. However, in circumstances where the securities purchased in excess of the designated limit decline in value, the associated loss may be greater than it would have been had the account not exceeded its limit. Conversely, in circumstances where the securities purchased in excess of the designated limit increase in value, such increase may inure to the benefit of the account.

If a trade takes more than approximately two (2) days to execute, NWQ may, but is not required to, rerun the order through its pre-trade compliance system if NWQ believes that doing so is in the best interest of the participating accounts. Order reversions typically take place on Mondays and Wednesdays. Factors that may be considered in this determination may include (i) whether the order is trading-away from its limit price by what the portfolio manager considers to be a material amount, (ii) whether the order is to sell-out of the position in its entirety, and (iii) whether, and to what extent, if any, market volatility may have impacted portfolio market value such that concentration levels existing at time of order creation would have been materially dislocated.

Wrap Fee Programs

The services provided by NWQ to Managed Accounts may differ from the services provided to Institutional Accounts and other clients who do not participate in wrap fee programs. The investment strategies NWQ uses in managing Managed Accounts are similar to those offered to its institutional clients, but may involve fewer securities holdings due to smaller account sizes. Also, strategies vary among Programs.

NWQ does not have the ability to assist wrap program clients in filing class action claims or to vote a proxy proposal in a particular manner. Also, wrap program clients may not be able to purchase particular security types such as initial public offerings, ordinary shares of foreign securities, and certain fixed income transactions.

In wrap programs that permit NWQ to trade away from the wrap sponsor or its broker-dealer affiliate when such sponsor or its affiliate cannot provide best price or execution under the circumstances, NWQ may trade away from such parties. In such cases, clients may incur transaction and other costs and fees in addition to the wrap fee. Wrap fee clients generally incur mark-ups and mark-downs in securities transactions in addition to the wrap fee payable to the wrap sponsor. Some broker-dealers serving as custodian charge fees for settling transactions executed through unaffiliated broker-dealers.

In consideration for providing investment management services to Managed Accounts, NWQ receives a portion of the wrap fee paid by program participants. The management fees NWQ receives for providing investment management services to Managed Accounts are generally lower than NWQ's management fees for Institutional Accounts.

Depending upon the level of the wrap fee charged by a wrap sponsor, the amount of portfolio activity in a client's account, the value of the custodial and other services that are provided under a wrap arrangement and other factors, a wrap fee client should consider whether the wrap fee would exceed the aggregate cost of such services if they were to be provided separately. Similarly, a non-wrap fee program client paying separate fees should consider whether the fees charged by different parties for custody, advisory services, portfolio management services, securities execution and other services would exceed the aggregate cost of such services if they were provided in a wrap fee arrangement.

Clients should review all materials relating to their Managed Account Program (including Schedule H of Form ADV or program brochure of the Program Sponsor, as applicable) regarding the Managed Account Program's terms, conditions and fees, and consider the potential advantages and disadvantages and overall appropriateness of the program in light of the client's particular circumstances.

Assets Under Management

As of December 31, 2010 NWQ had \$21,987,889,889 in assets under management. This total includes \$938,971,108 in Unified Managed Account (“UMA”) assets.

ITEM 5 FEES AND COMPENSATION

Fee Schedules

Advisory Fees for Institutional Accounts

Advisory fees for Institutional Accounts are generally determined based upon the following schedules. However, fees may fall outside of the stated ranges, or may be negotiated.

Large Cap Value and Large Cap Value Balanced

First \$50 million	0.65%;
Over \$50 million	0.55%

Special Equity (All Cap)

First \$25 million	0.85%
Over \$25 million	0.70%

Global Equity and Global Equity (ADR)

First \$5 million	0.80%
Next \$15 million	0.70%
Over \$20 million	0.60%

Small-Mid Cap Equity

First \$25 million	0.85%
Over \$25 million	0.70%

Small Cap Value

First \$25 million	1.00%
Over \$25 million	0.75%

Concentrated

All Assets 1.25%
or
0.8% plus 15% performance fee

Core, Intermediate and Short Term Fixed Income

First \$10 million	0.40%
Over \$10 million	0.30%

Preferred, Tax Advantaged Preferred/Tax Blended Credit

First \$10 million	0.55%
Next \$15 million	0.50%
Next \$25 million	0.45%
Next \$25 million	0.40%
Over \$75 million	0.35%

General Information

NWQ's advisory fees are typically based on a percentage of the market value of the assets under its management. For eligible client accounts, performance-based fees may be negotiated in appropriate circumstances. Performance-based fees may create an incentive for NWQ to favor such performance-based fee accounts or make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. In these instances, NWQ's compensation may be larger than it would otherwise have been because the fee will be based on account performance instead of, or in addition to a percentage of assets under management. For more information on how NWQ addresses this conflict, please see the response in Item 6. NWQ generally does not charge fixed fees.

Fees may vary from the applicable schedules above based on factors such as client type, asset class, pre-existing relationship, service levels, portfolio complexity, number of accounts, account size or other special circumstances or requirements and are negotiable in some cases. Some existing clients may pay higher or lower fees than new clients. NWQ, in determining its fees, may give consideration to certain services provided to the client by a third party. Certain accounts of NWQ's employees or any of its affiliates' employees, former employees, or their family members may be managed by NWQ without an advisory fee. Related accounts may be aggregated for fee calculation purposes in certain circumstances.

When NWQ calculates fees, valuations of account assets are determined in accordance with NWQ's valuation procedures, which generally rely on third party pricing services, but may permit the use of other valuation methodologies in certain circumstances. NWQ's determinations may differ from valuations reflected in a client's custodial statements.

Advisory Fees for the Funds

Fees for advisory services for the Funds are separately negotiated between NWQ and the third-party or affiliated investment adviser and/or Fund. Fees may be performance-based or based on a percentage of assets under management. These fees are disclosed in the relevant prospectus or Offering Documents.

Advisory Fees for the Private Funds

NWQ typically receives an annual management fee, generally paid quarterly in arrears, in an amount generally ranging from .80% to 1.5% (80 basis points to one and one half percent), depending on the investment strategy, of the net asset value of each investor's investment in the Private Funds. The fee is described in more detail in the Offering Memorandum for the Private Funds.

NWQ and/or the Private Fund's general partner, a related person of NWQ, may also receive an annual performance-based profit allocation and performance fee ranging from 15% (fifteen percent) of the excess return as compared to a specific benchmark to 20%

(twenty percent) of net capital appreciation, depending on the investment strategy, for certain Private Funds. Net capital appreciation is generally defined as the increase in the net asset value of an investor's account during the respective allocation period. The Offering Memorandum for each Private Fund describe the manner in which profits are determined and the timing of payments.

Additionally, based on an investor's election and the specific Private Fund, an investor that withdraws or redeems from a Private Fund may be charged an early redemption fee of 2% (two percent) for withdrawals made prior to the second anniversary of purchase of interests.

Advisory Fees for Managed Account Programs

For Managed Accounts offered through wrap fee programs, NWQ's fee is determined by agreement between the Program Sponsor and NWQ. The annual fee paid by the client to the Program Sponsor in a Managed Account Program will typically range from 1.5%- 3% of the client's annual assets under management. The Program Sponsor typically pays NWQ an annual fee for its investment advisory services of up to .70% of the assets NWQ manages under the Managed Account Program, charged on a monthly or quarterly basis. Fees vary by program based on the size of the program, services, particular investment strategy, any pre-existing business relationship with NWQ or its affiliates and other factors. For dual contract accounts, NWQ and Program Sponsors each charge their fees separately. Fees charged to dual contract accounts are individually negotiated between NWQ and the client and are charged on a monthly or quarterly basis.

In addition, fees paid to NWQ for wrap fee programs are typically less than partially bundled or unbundled arrangements.. In a partially bundled arrangement, the client typically pays a fee to the Program Sponsor for trade execution through the Program Sponsor, custody and consulting services, and a separate fee to NWQ for the investment management of its account.

Deduction of Fees

NWQ's fees are generally paid monthly or quarterly, in advance or in arrears, as provided in the agreement with the client, based on the market value of the account(s) as specified in the investment management agreement. In addition to securities, market values include cash, cash equivalents, accrued dividends and other income. If an account is opened or closed during a billing period, the advisory fees are pro-rated for that portion of the billing period during which the account was open. The management fee is also adjusted to reflect net cash flows subject to certain parameters. In certain cases, fees may be deducted from client accounts as agreed upon with the client. Clients should contact their custodian for more information relating to the deduction of fees from client accounts.

Program Sponsors typically collect the total wrap fee and remit NWQ's fee to NWQ. However, under some partially or unbundled arrangements, the client may pay NWQ's fee directly, or NWQ may deduct its fee from the client account.

Other Fees and Expenses

NWQ may invest in closed-end funds, open-end funds exchange traded funds (ETFs), exchange traded notes (ETNs) and other pooled investment vehicles (collectively "funds") on behalf of certain of its clients. When NWQ invests client assets in funds, unless otherwise agreed and where permitted by law, the client will bear its proportionate share of fees and expenses as an investor in the fund in addition to NWQ's investment advisory fees.

In addition, NWQ may invest client assets or recommend that clients invest in shares or other interests in the Funds or Private Funds to which NWQ or its related persons provide investment advice or other services, and from which NWQ and its affiliates receive advisory, administrative and/or distribution fees. To the extent that NWQ invests client assets in a Fund, NWQ may, depending on the arrangement with the Program Sponsor or client and any legal requirements, waive investment advisory fees on the assets invested in such investment company, credit the account for the fees paid by the investment company to NWQ's related persons, avoid or limit the payment of duplicative fees to NWQ and its related persons through other means, or charge fees both at the investment company level and separate account level.

NWQ's clients generally will incur brokerage and other transaction costs. For additional information about NWQ's brokerage practices and brokerage costs, please see the response to Item 12.

In wrap programs that permit NWQ to trade away from the wrap sponsor or its broker-dealer affiliate when such sponsor or its affiliate cannot provide best price or execution under the circumstances, NWQ may trade away from such parties. In such cases, clients may incur transaction and other costs and fees in addition to the wrap fee, such as mark-ups or mark-downs on the transaction. In addition, a Program Sponsor may charge additional fees for settling step-out transactions. For additional information about NWQ's brokerage arrangements, please see the response to Item 10. Managed Account Program clients should review all materials available from a third party sponsor concerning the Program, Program Sponsor and the Program's terms, conditions and fees.

From time to time, a client may instruct NWQ to suspend investment management services for their accounts for a period of time. NWQ may charge standard fees for all or a portion of such time to reflect the administrative costs associated with implementing such instructions.

Prepaid Fees

To the extent an Institutional Account's investment management agreement or a partially or unbundled dual contract Managed Account Program client's agreement provides that NWQ's fees are to be paid in advance, the unearned portion of such fees will be refunded to the client upon termination of the service. For fully bundled wrap fee Managed Account Programs that provide that NWQ's fees are to be paid in advance, NWQ will refund any prepaid, but unearned fees to the Program Sponsor. The Program Sponsor is then responsible for refunding fees, as applicable, to the client upon termination of the service. The refunded amount will be determined on a pro-rata basis if the service is terminated within the payment period.

Compensation for the Sale of Securities

NWQ supervised persons and related sales personnel typically market NWQ's investment capabilities to various institutional prospects and Program Sponsors. NWQ's investment capabilities may be available directly through provision of investment advisory services (through institutional separate accounts, Managed Accounts and the Private Funds), or indirectly by investment in the Funds advised or subadvised by NWQ.

Certain NWQ supervised persons and related sales personnel are also associated with NWQ's affiliated broker-dealer, Nuveen Investments, LLC, and in that capacity may engage in marketing or selling activities with respect to the Funds or the Private Funds. Please also see the response to Item 10. NWQ supervised persons and related persons do not receive compensation related to the sales of NWQ's Funds or Private Funds. Clients have the option of purchasing the investment products offered through other brokers or agents not affiliated with NWQ.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

NWQ manages multiple accounts with different investment objectives, guidelines and policies, and with different fee structures.

NWQ receives both asset-based fees and performance-based fees as compensation for its advisory services. Performance-based fees create an incentive for NWQ to favor those accounts over asset-based fee accounts or to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. In these instances, NWQ's compensation may be larger than it would otherwise have been as the fee will be based on account performance instead of, or in addition to, a percentage of assets under management. To the extent that NWQ manages accounts that are charged a performance-based fee side-by-side with accounts that are not charged a performance-based fee, NWQ periodically reviews allocations of investment opportunities and sequencing of transactions and compares the performance of such accounts. Additionally, NWQ periodically reviews allocations of investment opportunity and sequencing of transactions and performs a comparative analysis of the performance between accounts with performance fees and those without performance fees.

Similarly, a conflict exists if NWQ were to favor accounts which were not performance-based fee accounts in the allocation of investment opportunities. To address this conflict, NWQ maintains policies and procedures designed to treat all clients fairly when aggregating and allocating investment opportunities and periodically reviews allocations and sequencing of non performance-based fee account transactions.

Any exceptions or issues arising from the reviews are brought to the attention of NWQ's Chief Compliance Officer.

ITEM 7 TYPES OF CLIENTS

NWQ provides investment advisory services to a wide variety of retail and high net worth individual and institutional clients, including corporate and multi-employer plans, charitable organizations, educational institutions, trust accounts, estates, corporations or other business entities, banks and thrift institutions, insurance companies, governments and municipalities.

Additionally, NWQ provides investment sub-advisory services to affiliated and unaffiliated open-end and closed-end investment companies registered under the Investment Company Act of 1940, as amended (the “1940 Act”), collective investment trusts, and investment companies with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between funds pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities (“UCITS”)), (each, a “Fund” and collectively, the “Funds”).

NWQ also provides investment advice for a number of private investment funds which are generally organized as domestic limited partnerships (“Onshore Funds”) or as Cayman Islands exempted companies (“Offshore Funds” and together with the Onshore Funds, the “Private Funds”).

NWQ provides services to these clients under direct advisory and sub-advisory mandates (the “Institutional Accounts”). In addition, NWQ provides investment advisory services to institutional and individual clients through wrap fee and dual contract managed account programs (the “Managed Accounts”) sponsored by broker-dealers and/or other financial intermediaries (the “Program Sponsors”). Although most services are provided on a discretionary basis, NWQ also provides certain services on a non-discretionary and model portfolio basis.

Institutional Accounts

NWQ provides advisory services to institutions and high net worth individuals through separate accounts. NWQ’s investment advisory services are provided based on the stated objectives and guidelines of a client account. NWQ generally offers its separate account services for fees based on assets under management as described in Item 5.

The minimum account size for new institutional Fixed Income, Small-Cap Value and Small-Mid Cap Value accounts is typically \$5 million and the minimum account size for new institutional Global Equity (ADR) accounts is typically \$2 million. For all other new institutional accounts, NWQ generally requires a minimum of \$20 million. NWQ, in its sole discretion, may waive, decrease or increase these minimums based on client type, asset class, related accounts, pre-existing relationships and/or other factors. NWQ in its sole discretion may impose a minimum fee on new accounts that do not meet firm minimum account size requirements. The minimum fee will be included in the client agreement.

The Funds

NWQ provides investment advisory and sub-advisory services to the Funds in accordance with the terms of the prospectus, trust agreement or other governing documentation, as applicable (together, the “Offering Documents”).

The Private Funds

Minimums related to the purchase of NWQ’s private funds or other pooled investment vehicles are included in the Private Fund’s Offering Memorandum. However, depending on the specific terms of the respective Private Funds, an investor may, on at least 45 days’ prior notice to NWQ, and in some cases subsequent to the second anniversary of an investment, withdraw all of part of their capital account or redeem an amount not less than \$100,000 as of the last day of the quarter. NWQ may suspend the right of withdrawal under extraordinary circumstances. NWQ, in its discretion, may waive the notice period or permit withdrawals at other time and in other amounts.

This overview of Private Funds is designed to be a general summary. With respect to a specific Private Fund, this summary is qualified in its entirety by the specific final Private Fund offering memorandum relating to such Private Fund (“Offering Memorandum”). The Private Fund’s offering memorandum describes the terms and conditions of the fund, including fees and risk factors, and should be read carefully prior to investment.

Managed Account Programs

NWQ provides investment advisory services to Managed Accounts through wrap fee and dual contract managed account programs. In traditional wrap fee programs, NWQ provides its advisory services pursuant to an advisory agreement with the wrap fee program sponsor. Wrap fee programs typically include comprehensive custody, financial advisory and certain trading (provided by the program sponsor) and investment advisory services (provided by the manager) for a bundled fee payable to the sponsor (“wrap”).

In a dual contract program, NWQ provides its advisory services pursuant to an advisory agreement directly with the client. A client may separately arrange with one or more third parties for custody, financial advisory and certain trading services to be provided on a partially-bundled or unbundled basis. In a partially-bundled program, certain of such services (typically custody, financial advisory, and certain trading) are provided for a bundled fee arrangement. In an unbundled arrangement, such services are contracted, provided and paid for separately.

For fully bundled wrap programs, the minimum account size is typically \$100,000, although the specific minimum account size varies by program and may be as low as \$50,000. For partially bundled programs, the minimum account size may be as low as \$100,000. NWQ may raise or lower or waive minimums in certain circumstances.

For Managed Accounts, NWQ is appointed to act as an investment adviser through a process generally administered or assisted by the Program Sponsor. Under these arrangements, participating clients, generally with assistance from the Program Sponsor, may select NWQ to provide investment advisory services for their account (or a portion thereof). NWQ generally relies on the Program Sponsor to determine the suitability of an NWQ strategy for a prospective client. NWQ reserves the right to decline to manage any Managed Account. Managed Account agreements may be terminated, generally, at the written request of the client, the Program Sponsor or NWQ. In the event of termination, the investment management fee will be pro-rated.

Once appointed to serve as investment adviser to a Managed Account, NWQ provides investment advisory services based upon information provided to NWQ generally by the Program Sponsor.

NWQ generally maintains investment discretion as to which securities shall be purchased or sold in a Managed Account in a manner consistent with written information received regarding the client's selected management style, investment objectives, policies and restrictions (if any) and the capabilities of the client's selected custodian.

NWQ seeks to commence management of a Managed Account as soon as practicable after review of the account documentation, acceptance of its appointment as investment adviser and contribution of assets to the client's account. The time required to commence management may vary depending on the time required to complete these steps, the efficiency of the Program Sponsor and/or other third parties, and the time required to establish an appropriate portfolio.

Clients should review the terms and conditions of their particular Managed Account Program to understand its policy regarding the investment of cash balances. Such account balances are frequently invested in money market funds managed by affiliates of the Program Sponsor. Investment of clients' funds in money market funds may result in the payment of additional investment advisory fees to the money market fund manager that may be an affiliate of the Program Sponsor.

From time to time, the Program Sponsor may instruct NWQ to suspend investment management services for a Managed Account for a period of time. NWQ may charge standard fees for a portion of such time to reflect the administrative costs associated with implementing such instructions.

NWQ and its affiliates have multiple business relationships with Program Sponsors and their affiliates, including, but not limited to, brokerage and research services and product distribution arrangements.

The services provided to Managed Accounts may differ among the various Managed Account Programs as noted in Item 4. However, NWQ generally will make its representatives available for communications as reasonably requested by clients and/or

Program Sponsors. Clients are encouraged to consult their own financial advisers and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a Managed Account Program.

As specifically requested by a Program Sponsor from time to time, NWQ may provide pro-forma reports that analyze a prospective client's current holdings or provide an illustration of the effect of performance of an NWQ composite over a particular time period in a manner directed by the Program Sponsor. Such reports are not intended to constitute investment advice, research or recommendations.

Model-Based Programs

NWQ may also participate in model-based managed accounts programs in which NWQ provides the Program Sponsor or an overlay manager ("model-based Program Sponsor") non-discretionary investment advice through model portfolios and, in certain cases, handles certain trading and other functions. The model-based Program Sponsor is responsible for investment decisions and performing many other services and functions typically handled by NWQ in a traditional discretionary Managed Account Program.

Depending on the particular facts and circumstances, NWQ may or may not have an advisory relationship with model-based program clients. To the extent that this Form ADV Part 2A is delivered to model-based program clients with whom NWQ has no advisory relationship or under circumstances where it is not legally required to be delivered, it is provided for informational purposes only. Furthermore, because a model-based Program Sponsor generally exercises investment discretion and, in many cases, brokerage discretion, performance and other information relating to NWQ's services for which it exercises investment and/or brokerage discretion is generally provided for informational purposes only and may not be representative of model-based program client results or experience. NWQ is not responsible for overseeing the provision of services by a model-based Program Sponsor and cannot assure the quality of its services.

The recommendations implicit in the model portfolios provided to the model-based Program Sponsor generally reflect recommendations being made by NWQ contemporaneously to, or investment advisory decisions made contemporaneously for, similarly situated discretionary clients of NWQ. The model-based Program Sponsor, in its sole discretion, may or may not choose to act upon any or all of NWQ's recommendations. In the instances where the model-based Program Sponsor chooses to act upon the recommendations, NWQ may have already commenced trading for its discretionary client accounts before the model-based Program Sponsor has received or had the opportunity to evaluate or act on NWQ's recommendations. In this circumstance, trades ultimately placed by the model-based Program Sponsor for its clients may be subject to price movements, particularly with large orders or where the securities are thinly traded, that may result in model-based program clients receiving prices that are less favorable than the prices obtained by NWQ for its discretionary client accounts. On the

other hand, the model-based Program Sponsor may initiate trading based on NWQ's recommendations before or at the same time NWQ is also trading for its discretionary client accounts. Particularly with large orders where the securities are thinly traded, this could result in NWQ's discretionary clients receiving prices that are less favorable than prices that might otherwise have been obtained absent the model-based Program Sponsor's trading activity. NWQ generally seeks to minimize the market impact of the recommendations provided to a model-based Program Sponsor on accounts for which NWQ exercises investment discretion. However, because NWQ may not control the model-based Program Sponsor's execution of transactions for the model-based Program Sponsor's client accounts, NWQ may not be able to control the market impact of such transactions to the same extent that it would for its discretionary client accounts. However, NWQ seeks to minimize the market impact of the recommendations provided to the model-based Program Sponsor by using its discretion in releasing orders in a manner which seeks to cause the least possible impact while keeping within the approximate price range of the discretionary block.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Description

NWQ is a long-term investor which implements its investment strategies through an active research-driven, fundamentals-based, value-oriented process. Utilizing a corporate finance-oriented, cash flow focused discipline to identify potential investments trading at attractive absolute valuations, NWQ typically invests in companies that it believes are undervalued, have downside protection, and possess catalysts or inflection points expected to help unlock value.

NWQ's stock selection process is driven by bottom-up fundamental research. NWQ's research analysts constantly evaluate companies within their defined investable universe based upon a variety of both qualitative and quantitative criterion. Quantitative measures include price-to-cash flow, free-cash-flow yield, price-to-sales, price-to-earnings, price-to-book and earnings quality. Qualitative measures generally include management strength, corporate strategy, competitive position and unrealized shareholder value opportunities.

NWQ uses a variety of sources of information to facilitate such analysis. In particular, NWQ may consult with securities analysts, selected broker-dealers, market-makers, economists, and others in formulating investment strategies. NWQ also may attend company presentations and participate in interviews and inspections of certain companies. In addition to inspections of corporate activities, NWQ may engage in discussions with management and others having business with the company or expertise in a particular industry. NWQ also regularly monitors newspapers, magazines, and industry and trade journals; websites; information and research provided by affiliated and unaffiliated analysts and consultants; corporate rating services; annual reports, prospectuses, and other SEC filings; and information published by the company, such as press releases.

General descriptions of NWQ's investment strategies are included below. These descriptions are not intended to serve as specific account guidelines. NWQ reserves the right to limit the availability of any particular strategy at any given time based on factors including capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. In addition, NWQ may develop other investment strategies from time to time and manage portfolios according to a client's specific investment guidelines, thus, strategies may vary by client account. Certain strategies may be available only in certain channels or through a purchase of shares of the Funds, or the Private Funds. The descriptions of the investment strategies below are qualified in their entirety by the information provided by NWQ or a related party to their advisory clients, included in the Offering Documents, Offering Memorandum, or included in or provided with any Managed Account Program disclosure statement. Prior to investing in any Fund or

Private Fund, investors should review the relevant Offering Documents or Offering Memorandum.

Equity Strategies

Large Cap Value portfolios seek to invest in undervalued large and mid-sized companies with identifiable catalysts expected to improve profitability and generate above-market returns. Portfolio investments may include, but are not be limited to, domestic equities and foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations trading on U.S exchanges with a market capitalization of \$5 billion and above.

Concentrated portfolios utilize an approach which seeks to maximize return on invested capital over the long-term by generally investing in a limited number of equity securities of primarily U.S. issuers whose market capitalization exceeds \$1 billion at the time of purchase. Portfolio investments may also include investments in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations trading on U.S. exchanges.

Special Equity portfolio utilize an opportunistic all cap value strategy with a mid-cap bias. Portfolios include undervalued companies with identifiable catalysts expected to improve profitability and generate above-market returns. The investable universe includes companies whose market capitalization is generally \$100 million and above. Portfolio investments may also include investments in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations trading on U.S. exchanges.

Small Cap Value portfolios seek to invest in common stocks of undervalued smaller capitalization companies in industries with positive or improving fundamentals. Market capitalizations typically fall within the range of \$50 million and \$3 billion and with similar capitalizations of companies in the Russell 2000 Value Index at the time of purchase. Portfolio investments may also include investments in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges.

Small-Mid Cap Value (SMID) portfolios seek to invest in common stocks of undervalued small to mid-sized market capitalization companies in industries with positive or improving fundamentals. Market capitalizations typically fall within the range of \$500 million to \$7 billion with similar capitalizations of companies in the Russell 2500 Value Index at the time of purchase. Portfolio investments may also include investments in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations traded on U.S. exchanges.

Global Equity (ADR) portfolios utilize an opportunistic value-oriented process seeking to invest in U.S. equities, foreign investments in the form of American Depositary Receipts (ADRs) and global depositary receipts (GDRs), and foreign stocks traded on U.S. exchanges. The portfolio's market capitalization for domestic equities is \$3 billion and \$1 billion for foreign equities at time of purchase. The total non-U.S. country

weighting is typically limited to 35%, of the portfolio at the time of purchase, with up to 10% of the portfolio in securities of companies located in countries with emerging securities markets at the time of purchase. The domestic versus international allocation in the portfolio is typically within 15% of the MSCI World Index weighting. The portfolio is jointly managed by NWQ and Tradewinds Global Investors, LLC (“Tradewinds”). Tradewinds serves as sub-adviser to the international portion of the portfolio, which are both subsidiaries of Nuveen. This strategy is also offered where NWQ and Tradewinds may purchase foreign ordinary shares (ORDs) in addition to ADRs and GDRs, subject to the same limitations as the ADR strategy. This product is closed to new investments.

Energy portfolios utilize a targeted, value driven evaluation of public and private energy and energy-related investment opportunities. These opportunities will be primarily in the form of domestic equity or equity-related securities that derive a major portion of profits or anticipated profits from the energy and related sectors (which may be held long or short) with a market capitalization of \$50 million and above. While the portfolios focus upon fossil-related energy investments, they may also invest in unconventional, alternative and other energy-related investments. Investments may also be made in (but not limited to) land, lease rights, mineral rights, exploration and production assets, supply chain and service assets, and existing reserves. Portfolio investments may also include investments in foreign securities in the form of American Depositary Receipts (ADRs) and foreign corporations trading on U.S. exchanges.

Large Cap Value Balanced portfolios are a blend of the Large Cap Value strategy and the Core Fixed Income strategy and employ three disciplines: asset allocation, opportunistic value-oriented stock selection within the large cap value strategy discipline and high-quality fixed income management.

Special Balanced portfolios are a blend of the Special Equity strategy and the Core Fixed Income strategy and employ three disciplines: asset allocation, opportunistic value-oriented stock selection within the large cap value strategy discipline and high-quality fixed income management.

Additional Information about Equity Strategies

Each of the portfolios may pursue other strategies or invest in other instruments described in this Brochure. NWQ offers balanced strategies that combine equity and fixed income strategies as described herein. Certain portfolios may invest in equity securities of companies of various market capitalizations, as determined by NWQ. Certain of the portfolios engage in short selling. Certain portfolios exclude investments that are deemed inconsistent with environmental, social and governance (“ESG”) guidelines.

Securities in which the portfolios invest may include common stocks, publicly-traded units of master limited partnerships (MLPs), real estate investment trusts (REITs), exchange traded funds (“ETFs”) and other investment companies. Some of these

securities may give rise to unrelated business taxable income from time to time. Clients should consult their tax advisers regarding the tax implications of such investments.

In addition, a portion of an account's assets may be invested in non-dollar denominated equity securities of non-U.S. issuers and in dollar-denominated equity securities of non-U.S. issuers that are either listed on a U.S. stock exchange or represented by depositary receipts that may or may not be sponsored by a domestic bank. Certain portfolios may hold depositary receipts. The portfolios may also be invested in warrants and securities convertible or exchangeable for equity securities such as convertible bonds.

Certain of the above equity securities portfolios may use derivatives, specifically options, index options, interest rate caps, collars, futures contracts, options on futures contracts, and forward non-U.S. currency exchange contracts, to manage various types of risk, enhance an account's return, equitize cash or hedge against adverse movements in currency exchange rates. In addition, certain portfolios may use derivatives such as swaps, including interest rate swaps, total return swaps, swaptions, credit default swaps and non-U.S. currency swaps, as well as other derivatives, to hedge the risk of investment in securities, substitute for a position in an underlying security, reduce transaction costs, maintain full market exposure, manage cash flows and preserve capital. Certain portfolios may also use derivatives, such as participatory notes and equity-linked securities, to gain exposure to equity and other securities of certain issuers. In addition, certain portfolios may write (sell) covered call options or buy put options on an index, or on some or all of the stocks or other securities they invest in, as well as using call spreads or other types of options to generate premium income and reduce volatility on an account's return, with the intent of improving an account's risk adjusted return. Certain portfolios may invest in stock index futures contracts, options on stock indices, and options on stock index futures to maintain the liquidity needed to meet redemption requests, to increase the level of portfolio assets devoted to replicating an index, and to reduce transaction costs. In addition, certain portfolios may utilize forward contracts to enhance returns. Investments in these types of investments are not suitable for all investors as they are speculative and carry a high degree of risk.

Certain portfolios may also invest in Rule 144A securities, private placements and private investments in public equity (PIPEs), which may lack liquidity or a readily assessable market value. In addition, NWQ may hold securities that become illiquid after purchase due to market or other conditions. Private placements pose greater liquidity risks than publicly traded securities. Investments in illiquid securities may restrict NWQ's ability to dispose of investments in a timely fashion and for a fair price and may impede NWQ's ability to take advantage of market opportunities.

Additional investments for certain portfolios may be made in the energy and related sectors, which may include (i) land holdings, lease rights and mineral rights; exploration agreements, working interests, ownership agreements, participant agreements and royalty agreements; supply-chain and service assets; and existing reserves, (ii) direct investments in operating companies, which includes direct investment in and/or the formation of businesses that operate in the energy industry, and (iii) investment entities, which include

privately offered separately managed collective investment vehicles, including corporations, limited liability companies, and limited partnerships, whether onshore or offshore that principally invest in the energy and related sectors.

Certain portfolios may also invest in preferred securities, convertible securities, rights and warrants, if attached to stocks held in the portfolio, debt secured by mortgages, debt securities issued by foreign and supranational issuers, debt secured by loans, and other fixed income securities. These debt securities may be rated below investment grade (“high yield”). Additionally, certain portfolios may invest in securities that are not readily marketable (*i.e.*, illiquid).

Fixed Income Strategies

Core Fixed Income portfolios generally invest in undervalued sectors and securities in the fixed income markets. The portfolio’s typical universe is the Barclays US Aggregate Index, which includes, but is not limited to, investment grade corporate bonds, agency debt, mortgage-backed securities, and Treasuries. NWQ may concentrate the maturities of bonds in a client’s portfolio to short, medium or long-term maturity.

Fixed Income Intermediate portfolios seek to invest in securities with a maturity or average-life that is generally 10 years or less, which includes, but is not limited to, investment grade corporate bonds, agency debt, mortgage-backed securities, and Treasuries.

Short Term Intermediate portfolios seek to invest in securities with a maturity or average-life that is generally 3 years or less, which includes, but is not limited to, investment grade corporate bonds, agency debt, mortgage-backed securities, and Treasuries.

Preferred portfolios seek to provide high current income and total return by investing in preferred securities and non-preferred assets composed of common stocks, open-end and closed-end investment companies including exchange traded funds, and other fixed income securities. A portion of the portfolio may be invested in securities that are rated below investment grade but these securities must carry a rating of B or better by a major bond rating agency. The strategy may also use derivatives to manage duration relative to benchmark through U.S. interest rate futures, generate income through writing covered calls on its common equity holdings, and hedge equity exposure through buying puts on common stock it holds.

Tax Advantaged Preferred portfolios are primarily invested in investment grade U.S. dollar denominated preferred securities of U.S. and non- U.S. corporations that are eligible to pay tax-advantaged dividends (Qualified Dividend Income (QDI) or Dividend Received Deduction (DRD) preferred securities). NWQ may also invest in preferred securities that are unrated but judged to be of comparable quality. Tax-advantaged dividends generally

include dividends from domestic corporations and dividends from non-U.S. corporations that meet certain criteria.

Tax Blended Credit portfolios seek to provide an attractive level of income and capital appreciation by investing in U.S. dollar denominated preferred securities of U.S. and non-US corporations and other fixed income securities. Preferred securities may include investments in preferred stocks and trust preferred securities, convertible preferreds and REIT preferreds, each of which may pay fully taxable dividends. The investment in preferred securities and other fixed income securities may consist of both fixed and floating rate securities and may include securities in the portfolio that are rated below investment grade but generally carry a rating of B or better by a major bond rating Agency. The strategy may also purchase securities of investment companies including exchange traded funds (ETFs).

Additional Information about Taxable Fixed Income Strategies

Taxable Fixed Income portfolios may invest in securities rated investment grade or below investment grade (“high yield”). Additionally, a Taxable Fixed Income portfolio may invest a portion of its assets in securities and other instruments that are, at the time of investment, illiquid. A Taxable Fixed Income portfolio’s assets may also be invested in U.S. dollar and non-dollar denominated debt obligations of non-U.S. corporations and governments. Taxable Fixed Income portfolios may pursue other strategies or invest in other instruments described in this Brochure.

Taxable Fixed Income portfolios may also invest in other types of fixed income securities, such as asset-backed securities, residential and commercial mortgage-backed securities, and corporate debt obligations.

Material Risks for Significant Investment Strategies

As with any investment, loss of principal is a risk of investing in accordance with any of the investment strategies described above. The strategies described above also are subject to the risks summarized below. However, the following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment strategy. Prospective clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of NWQ for a particular strategy. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed herein.

General Risks

Concentration/Diversification Risk — An account’s concentration of investments in securities of issuers a limited number of issuers, industries, sectors, countries, states or regions subjects an account to conditions that may adversely impact the area of

concentration. In addition, concentration of investments of issuers located in a particular state subjects an account to government policies within that state. Similarly, a concentrated account may invest a large portion of its assets in a fewer number of issuers than an account with a larger number of positions. If a relatively high percentage of an account's assets may be invested in the securities of a limited number of issuers, an account may be more susceptible to any single, economic, political or regulatory occurrence than a more diversified portfolio.

Deflation Risk — Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a portfolio.

Derivatives Risk — The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives, and changes in the value of the derivative may not correspond, as intended, with changes in the value of the underlying asset, index or rate. These risks are heightened when the adviser uses derivatives to enhance a fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the account. In addition, when the accounts invest in certain derivative securities, including, but not limited to, when-issued securities, forward commitments, futures contracts and interest rate swaps, they are effectively leveraging their investments, which could result in exaggerated changes in the net asset value of the funds' shares and can result in losses that exceed the amount originally invested. These risks are heightened when the adviser uses derivatives to enhance an account's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the account.

An account may be subject to credit risk with respect to the counterparties to certain derivatives agreements entered into by the account. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the account may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. The account may obtain only a limited recovery or may obtain no recovery in such circumstances.

Writing (selling) covered call options on some or all of an account's holdings subject the account to additional risks. Because a covered call strategy limits participation in the appreciation of the underlying asset, in this case the securities, owning securities in an account is not the same as an investment linked to the performance of the securities. By writing covered call options on the securities, an account will give up the opportunity to benefit from potential increases in the value of the securities above the exercise prices of the options, but will continue to bear the risk of declines in the value of the securities.

The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the securities over time.

An account may purchase put options or index put options to protect against a significant market decline over a short period of time. If an option purchased by the account is not sold or exercised when it has remaining value, the account will lose its entire investment in the option.

Inflation Risk — Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of an account and distributions can decline.

Management/Asset Allocation Risk — Actively managed accounts, particularly balanced account strategies, are dependent upon an adviser's or sub-adviser's ability to make investment decisions to achieve an account's investment objective. As a result, an account may underperform its benchmark or other portfolios with similar investment objectives.

Preferred Security Risk — Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments.

Short Selling – Selling a stock short involves selling borrowed securities in anticipation of replacing the borrowed securities at a lower price. If the value of the stocks held short increases, the account would have to pay more to replace the borrowed securities. The value of the stocks held “long” could decline, or could decline at the same time that the value of the stocks held short could increase, resulting in greater losses. The potential exists that short positions may not be able to be closed out at an advantageous time or at a favorable price. Unlike stocks held long, the potential of loss on stocks sold short is unlimited.

Equity Risks

Common Stock Risk — Stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular country, company, industry, or sector of the market. In addition, the types of stocks in which a particular account invests, such as value stocks, growth stocks, large-capitalization stocks, mid-capitalization stocks, small-capitalization stocks and/or micro-capitalization stocks, may underperform the market as a whole. Value stocks can continue to be undervalued by the market for long periods of time. Dividends on common stocks are not fixed, but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of common stocks in which an account invests will declare dividends in the future or that if declared they will remain at current levels or increase over time.

Energy Securities Risk — Equity securities of energy and natural resources companies are especially affected by developments in the commodities markets, the supply of and demand for specific resources, products and services, the price of oil and gas, exploration and production spending, government regulation, economic conditions, international political developments, energy conservation efforts and the success of exploration projects. If a strategy is focused on investments in these companies, it may present more risks than if it were broadly diversified over numerous industries and sectors of the economy.

Illiquid Securities Risk — Illiquid securities are securities that are not readily marketable and may include some restricted securities, which are securities that may not be resold to the public without an effective registration statement under the Securities Act or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. Illiquid securities involve the risk that the securities will not be able to be sold in a timely fashion or at a fair price.

Mid-Cap/Small-Cap Stock Risk — Small-cap companies may lack the management expertise, financial resources, product diversification, and competitive strengths of larger companies. In addition, the frequency and volume of their trading may be less than is typical of larger companies, making them subject to wider price fluctuations. In some cases, there could be difficulties in selling the stocks of small-cap companies at the desired time and price. Mid-cap companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. Stocks of small-cap and mid-cap companies may be subject to more abrupt or erratic market movements than those of large, more established companies or the market averages in general.

Style-Specific Risk — Different types of stocks tend to shift in and out of favor depending on market and economic conditions. To the extent an account emphasizes a value style of investing, it runs the risk that undervalued companies' valuations will never improve.

Fixed Income Risks

Credit Risk — Credit risk is the risk that an issuer of a debt security will be unable to make interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability to make such payments. Credit risk may be heightened for portfolios that may invest in "high yield" securities.

Convertible Securities Risk — Convertible securities generally offer lower interest or dividend yields than non-convertible fixed-income securities of similar credit quality because of the potential for capital appreciation. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. In the event of a liquidation of the issuing company, holders of convertible securities would be paid before that company's common stockholders. Consequently, an

issuer's convertible securities generally entail less risk than its common stock. However, convertible securities rank below debt obligations of the same issuer in order of preference or priority in the event of a liquidation or reorganization and are typically unrated or rated lower than such debt obligations. Different types or subsets of convertible securities may carry further risk of loss.

Extension Risk— During periods of rising interest rates, the average life of certain types of securities may be extended because of lower than expected principal payments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security. This is known as extension risk. Market interest rates for investment grade fixed-income securities are currently significantly below the historical average rates for such securities. This decline may have increased the risk that these rates will rise in the future; however, historical interest rate levels are not necessarily predictive of future interest rate levels.

High Yield Securities Risk — High yield, or below investment grade securities, may be more susceptible to real or perceived economic conditions than investment grade securities. In addition, the secondary trading market for below investment grade securities may be less liquid. High yield securities generally have more volatile prices and carry more risk to principal than investment grade securities.

Inflation Risk – The value of assets or income from investments may be lower in the future as inflation decreases the value of money. As inflation increases, the value of an account's assets can decline, as can the value of an account's distributions.

Interest Rate Risk — Interest rate risk is the risk that the value of an account will decline because of rising interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments. Duration is a common measure of interest rate risk. Duration measures a bond's expected life on a present value basis, taking into account the bond's yield, interest payments and final maturity. The longer the duration of a bond, the greater the bond's price sensitivity to changes in interest rates.

Liquidity Risk – The accounts may invest in lower-quality debt instruments. Lower-quality debt tends to be less liquid than higher-quality debt. If the economy experiences a sudden downturn, or if the debt markets for a particular security become distressed, an account may have difficulty selling its assets in sufficient amounts, at reasonable prices and in a sufficiently timely manner to raise the cash necessary to meet any potentially heavy redemption request.

Mortgage/Asset-Backed Securities Risk — The value of the account's mortgage-related securities can fall if the owners of the underlying mortgages pay off their mortgages sooner than expected, which could happen when interest rates fall, or later than expected, which could happen when interest rates rise. With respect to asset-backed securities, the payment of interest and the repayment of principal may be impacted by the cash flows generated by the assets backing the securities. The downturn in the housing market and the resulting recession in the United States have negatively affected, and may continue to

negatively affect, both the price and liquidity of mortgage-related and asset-backed securities.

Preferred Securities Risk — Preferred securities risk involves credit risk, which is the risk that a preferred security will decline in price or fail to make dividend payments when due because the issuer of the security experiences a decline in its financial status. In addition certain preferred securities carry provisions that allow an issuer under certain circumstances to skip distributions (in the case of "non-cumulative" preferred securities) or defer distributions (in the case of "cumulative" preferred securities). If an account owns a preferred security that is deferring its distributions, the account may be required to report income for tax purposes while it is not receiving income from that security. In certain circumstances, an issuer may redeem its preferred securities prior to a specified date in the event of certain tax or legal changes or at the issuer's call, and the account may not be able to reinvest the proceeds at comparable rates of return. Preferred securities typically do not provide any voting rights, except in cases where dividends are in arrears for a specified number of periods. Preferred securities are subordinated to bonds and other fixed income instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than those fixed income instruments.

Prepayment Risk—During periods of declining interest rates, the issuer of certain types of securities may exercise its option to prepay principal earlier than scheduled, forcing an account to reinvest in lower yielding securities. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Real Estate Securities— Equity REITs will be affected by changes in the values of and incomes from the properties they own, while mortgage REITs may be affected by the credit quality of the mortgage loans they hold. REITs are also dependent on specialized management skills, which may affect their ability to generate cash flow for operating purposes and to pay distributions. Additionally, REITs may have limited diversification and are subject to the risks associated with obtaining financing for real property.

Unrated Investment Risk — In determining whether an unrated security is an appropriate investment for an account, NWQ will seek to determine whether the default probability and financial strength characteristics of the security are comparable to those of issuers of securities rated investment grade quality. NWQ will consider information from industry sources, as well as its own quantitative and qualitative analysis, in making such a determination. However, such a determination by the manager is not the equivalent of an investment grade rating by a rating agency.

International Risks

Correlation Risk — The U.S. and non-U.S. equity markets often rise and fall at different times or by different amounts due to economic or other developments particular to a given country or region. This phenomenon would tend to lower the overall price volatility of an account that included both U.S. and non-U.S. stocks. Sometimes, however, global trends will cause the U.S. and non-U.S. markets to move in the same direction, reducing or eliminating the risk reduction benefit of international investing.

Emerging Markets Risk — Investing in emerging markets generally involves exposure to economic structures that are less diverse and mature, and to political systems that are less stable, than those of developed countries. In addition, issuers in emerging markets typically are subject to a greater degree of change in earnings and business prospects than are companies in developed markets.

International Investing Risk — Investing in securities or issuers in markets other than the United States involves risks not typically associated with U.S. investing, such as currency risk, risks of trading in foreign securities markets, political and economic risks and correlation risk.

Currency Risk — Because the non-US securities in which the accounts may invest, with the exception of depositary receipts, generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the account's value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. A strong U.S. dollar relative to these other currencies will adversely affect the value of an account. Depositary receipts are also subject to currency risk.

Non- US Securities Market Risk — Securities of many non-U.S. companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. Securities of companies traded in many countries outside the U.S., particularly emerging markets countries, may be subject to further risks due to the inexperience of local investment professionals and financial institutions, the possibility of permanent or temporary termination of trading, and greater spreads between bid and asked prices for securities. In addition, non-U.S. stock exchanges and investment professionals are subject to less governmental regulation, and commissions may be higher than in the United States. Also, there may be delays in the settlement of non-U.S. stock exchange transactions.

Political and Economic Risks — International investing is subject to the risk of political, social, or economic instability in the country of the issuer of a security, the difficulty of predicting international trade patterns, the possibility of the imposition of exchange controls, expropriation, limits on removal of currency or other assets, and nationalization of assets.

Additionally, an account's income from non-US issuers may be subject to non-U.S. withholding taxes. Dividends may be paid on some ADRs and ORDs and many non-US countries impose dividend withholding taxes up to 30%. Depending on a custodian's ability to reclaim any withheld foreign taxes on dividends, taxable portfolios may be able to recoup a portion of these taxes by use of the foreign tax credit. However, tax-exempt portfolios, to the extent they pay any foreign withholding taxes, may not be able to utilize the foreign tax credit and therefore may be unable to recover any foreign taxes withheld on dividends of ADRs or ORDs.

Non-U.S. issuers generally are not subject to uniform accounting, auditing, and financial reporting standards or to other regulatory requirements that apply to U.S. companies; therefore, less information may be available to investors concerning non-U.S. issuers. In addition, some countries restrict to varying degrees foreign investment in their securities markets. These restrictions lay limit or preclude investment in certain countries or may increase the cost of investments.

The above risks may be particularly significant in emerging markets countries. To the extent an account invests in depository receipts, an account will be subject to the same risks as when investing directly in non-US securities.

ITEM 9 DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the integrity of NWQ or its management persons.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

NWQ is not registered, nor does it have a pending application to register as a broker-dealer or as a registered representative of a broker-dealer. Certain employees of NWQ are registered, or have an application pending to register, as registered representatives and associated persons of Nuveen Investments, LLC, NWQ's affiliated broker-dealer, to the extent necessary or appropriate to perform their job responsibilities. (It is expected that Nuveen Investments, LLC will change its name to Nuveen Securities, LLC in the second quarter of 2011).

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

NWQ is currently exempt from CFTC registration requirements. Regulatory changes proposed by the CFTC may require NWQ and certain employees to register in the future.

Other Material Relationships

As discussed above, NWQ is an indirect subsidiary of Nuveen. Nuveen is an indirect subsidiary of Windy City Investments Holdings, L.L.C. ("Holdings"), a holding company formed by equity investors led by MDP. Equity investors of Holdings include certain MDP private equity funds and other institutional investors including divisions or subsidiaries of U.S. Bancorp and other financial services companies. Except for MDP, none of the other investors has an economic position in Holdings that is greater than 9.5%. For additional information, please see the response to Item 4.

The equity securities of Holdings do not confer voting rights. All management authority of Holdings resides with its board of managers (the "Board"). The current Board structure contemplates: (i) six manager positions designated by investors affiliated with MDP; (ii) one manager position designated by an investor affiliated with U.S. Bancorp; (iii) one manager position held by the Nuveen Investments Chief Executive Officer; and (iv) three independent manager positions agreed upon by a majority of the members of the Board after consultation with MDP.

As a result of the facts described above, MDP is considered a "control person" of NWQ under the Investment Advisers Act of 1940, as amended ("Advisers Act"); an "affiliated person" of NWQ under the Investment Company Act; and an "affiliate" of NWQ under the Employee Retirement Income Security Act of 1974 ("ERISA"). With respect to NWQ, except for MDP, no other investor in Holdings is subject to restrictions arising from such status under the Advisers Act, Investment Company Act and ERISA, respectively.

Neither MDP nor the other investors in Holdings have any involvement in the day-to-day investment or other business operations of NWQ, including with respect to NWQ's investment and voting determinations on behalf of clients. NWQ exercises its own independent investment and voting discretion in accordance with its investment philosophy, fiduciary duties and client guidelines. In addition, programs allowing key employees of NWQ to participate in its growth over time have been in place since Nuveen's acquisition of NWQ, with classes of profits interests vesting annually over a several year period. A new program is being put in place to continue grants of profits interests to key employees vesting over the next several years.

As a registered investment adviser, NWQ provides investment advisory services to a variety of retail and institutional clients, including registered and unregistered funds, and utilizes a variety of investment strategies. MDP is a private equity firm and sponsor and manager of private equity funds (the portfolio companies of which may be subject to MDP's control). At any given time, each of NWQ, on one hand, and MDP and other investors in Holdings and their affiliates, on the other hand, will engage in their own respective commercial activities with a view toward advancing their own respective business interests. These activities and interests potentially include multiple advisory, transactional, financial, and other interests in securities, financial instruments and companies, and a wide variety of financial services activities.

NWQ is committed to putting the interests of its clients first and seeks to act in a manner consistent with its fiduciary and contractual obligations to its clients and applicable law. At times, NWQ may determine, in an exercise of its discretion, to limit or refrain from entering into certain transactions, for some or all clients, in order to seek to avoid a potential conflict of interest, or where the legal, regulatory, administrative or other costs associated with entering into the transaction are deemed by NWQ to outweigh the expected benefits. Further, certain regulatory and legal restrictions or limitations and internal policies may restrict certain investment or voting activities of NWQ on behalf of its clients.

To the extent permitted by the Advisers Act, the Investment Company Act, ERISA, and other law, as applicable, NWQ may give advice, take action or refrain from acting in limiting purchases, selling existing investments, or otherwise restricting or limiting the exercise of rights, including voting rights, in the performance of its duties for certain client accounts that may differ from such advice or action, or the timing or nature of such advice or action, for other client accounts including, for example, for clients subject to one or more regulatory frameworks.

NWQ is under common control with Tradewinds Global Investors, LLC ("Tradewinds"), Nuveen Asset Management, LLC ("NAM"), Nuveen Investments Advisers Inc. ("NIA"), Symphony Asset Management LLC ("Symphony"), Santa Barbara Asset Management, LLC ("SBAM"), Nuveen HydePark Group LLC (formerly, HydePark Investments Strategies, LLC), Winslow Capital Management, Inc. Nuveen Investment Solutions, Inc. (formerly, Richards & Tierney Inc.) ("NIS"), and Nuveen Fund Advisors, Inc. ("NFA"),

each an investment adviser registered with the SEC that provides services to individual and/or institutional clients (which may include registered investment companies and/or private investment funds). NIS is also a pension consultant. “Nuveen Investments” is sometimes used to refer collectively to the advisory businesses of Nuveen Investments. NWQ is also under common control with Nuveen Investments Holdings, Inc., which performs administrative services for NWQ and certain affiliates. NWQ is also under common control with Nuveen Investments Canada Co., a Canadian dealer in Ontario, Canada. NWQ is also under common control with Nuveen Commodities Asset Management, LLC, a commodity pool operator and a commodity trading advisor. NWQ and its advisory affiliates maintain procedures (including certain information barriers) designed generally to provide for independent exercise of investment and voting power. NWQ’s arrangements with its affiliates may or may not be material to its advisory business at any particular time.

NWQ serves as sub-adviser to certain registered open and closed-end funds, branded as “Nuveen Funds,” for which its affiliate, NFA, serves as adviser. NWQ also serves as sub-adviser to other funds, including a series of products offered through one or more bank collective trusts under the Nuveen brand, and investment companies with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between funds pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities (“UCITS”)) Regulations, 2003, as amended, under the Nuveen brand. Additionally, NWQ serves as investment adviser and its related person serves as general partner to a number of Private Funds.

NWQ is also under common control with Nuveen Investments, LLC, a registered broker-dealer. Certain employees of NWQ also may be affiliated with Nuveen Investments, LLC, and in that capacity may engage in marketing or selling activities with respect to shares or interests in the Funds or the Private Funds affiliated with NWQ or its related persons. To the extent that NWQ or its related persons invest client assets in the Funds, NWQ or its related persons may, depending on any legal requirements, waive investment advisory fees on the client assets invested in such Fund, credit the client account for the fees paid by the Fund to NWQ or NWQ’s related persons, avoid or limit the payment of duplicative fees to NWQ and its related persons through other means, or charge fees both at the Fund level and client account level.

As stated above, NWQ has arrangements with certain of its affiliates under which NWQ may provide investment advisory (as adviser or sub-adviser) or other services to or for such affiliated adviser or its clients. NWQ or its clients may also receive such services from its affiliates. NWQ and certain affiliated advisers also may refer clients to each other.

To the extent permitted by applicable law, NWQ may delegate some or all of its responsibilities to one or more affiliates. NWQ’s affiliated advisers may likewise delegate some or all responsibilities to NWQ. To the extent that NWQ delegates investment management to affiliated investment advisers, NWQ and its affiliates retain a

greater amount of the total fees than if NWQ had delegated to an unaffiliated investment adviser. Accordingly, NWQ may have a potential conflict of interest in delegating to its affiliates. To address this conflict NWQ, or a related person, conducts periodic reviews of the affiliate.

Currently, NWQ has arrangements with Nuveen and certain of its affiliates under which such affiliates provide NWQ and other affiliates with sales and marketing, product development, operations, client service, legal and compliance, and administrative and other support services. Similar services may be available at a lower cost through an unaffiliated service provider.

In addition, certain employees of NWQ are affiliated with Nuveen Investments, LLC, and in that capacity may engage in marketing or selling activities with respect to shares or interests in the Funds or the Private Funds affiliated with NWQ or its related persons. For additional information about compensation for the sale of securities, please see the response to Item 5.

Receipt of Compensation from Investment Advisers

While NWQ generally does not recommend or select other investment advisers for its clients, NWQ may invest client assets in the Funds to which NWQ provides investment advice or recommend that clients invest in shares or other interests in the Private Funds to which NWQ or its related persons provide investment advice, and from which NWQ and its affiliates receive advisory fees. Because NWQ may receive direct or indirect compensation from such investments, NWQ may have an incentive to recommend investments managed by or invest client assets with affiliated investment advisers or with its Private Funds. Due to the additional economic benefit to NWQ and its affiliates from such investments, a conflict of interest may exist. To the extent NWQ investment client assets in the Funds, NWQ typically does not cause the client to incur duplicative fees. NWQ does not use its investment discretion to place client assets in NWQ's Private Funds. Such clients are required to complete subscription agreements and qualify for such investments.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

NWQ's Code of Ethics (the "Code") emphasizes the high standards of conduct that NWQ seeks to observe. NWQ strives at all times to conduct its investment advisory business in strict accordance with its fiduciary obligations. It is NWQ's policy to protect the interest of its clients and to place the client's interest first and foremost. NWQ's fiduciary responsibilities include the duty of care, loyalty, honesty, and good faith. The Code is applicable to all NWQ employees and certain other individuals ("access persons").

NWQ's Code outlines standards of business conduct and is designed to promote the following general principles:

- NWQ and its access persons have a duty at all times to place the interests of clients first;
- Access persons must conduct their personal securities transactions in a manner that avoids an actual or potential conflict of interest or any abuse of trust and responsibility;
- Access persons may not use knowledge about current or pending client or portfolio transactions for the purpose of personal profit;
- Information concerning clients (including former clients) must be kept confidential, including the client's identity, holdings, and other non-public information;
- Independence in the investment decision-making process is paramount, and
- Employees may not give or receive gifts or participate in entertainment beyond the parameters set forth in the Code to avoid even the appearance of favoritism or impropriety.

In addition, the Code outlines policies and procedures designed to detect and prevent conflicts of interest relating to personal trading by NWQ's access persons and to ensure that NWQ effects transactions for clients in a manner that is consistent with its fiduciary duty and in accordance with applicable law. As such, access persons who wish to purchase or sell securities are required to maintain brokerage accounts with certain broker-dealers who provide electronic feeds to assist in the monitoring of employee's transactions. In addition, trading may occur only in compliance with certain procedures including, but not limited to, obtaining pre-approval prior to conducting any trade and restrictions relating to short term trading and investments in initial public offerings. The Code also contains certain prohibitions for investment persons including, but not limited to, transacting within seven (7) days preceding or following certain firm-wide transactions. "Investment Persons" are portfolio managers, assistant portfolio managers, securities analysts, traders, natural persons in a control relationship with NWQ or its affiliates who obtain information concerning recommendations made to a client account, or any other persons designated as such by NWQ or any affiliated entity.

Additionally, access persons are required to provide periodic holdings reporting as well as initial certifications upon employment and annually thereafter. The Code also prohibits the misuse of material nonpublic information.

Under the Code, employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment from parties with whom NWQ conducts business. Employees are also subject to certain limitations regarding the giving of corporate gifts and other benefits to others. To the extent NWQ determines that there is no conflict of interest, employees from time to time may engage in outside business activities. A copy of NWQ's Code will be provided upon request of any client or prospective client.

Participation or Interest in Client Transactions

Initially and from time to time employees of NWQ and its related persons may invest in Private Funds managed by NWQ or its affiliates. NWQ or its affiliates may also establish proprietary separate accounts, including seed capital accounts. Such investments may from time to time represent all of or a significant percentage of the affiliated fund's assets. In addition NWQ or an affiliate may have a managerial interest in the Private Funds as a general partner, or otherwise have a financial interest, including but not limited to the receipt of investment management and/or certain performance-based fees which creates an inherent conflict were NWQ to favor such accounts in the allocation of investment opportunities. NWQ maintains policies and procedures designed to treat all clients, including Private Funds and proprietary accounts, equally when aggregating and allocating investment opportunities.

Similarly, investments in the Private Funds or proprietary accounts provide an incentive for NWQ to favor such Private Funds and proprietary accounts when allocating investment opportunities. To the extent that NWQ or its employees have established separate proprietary accounts or have investments in a Private Fund that exceeds 25% of the Private Fund's assets, NWQ has adopted policies and procedures intended to address the potential conflicts of interest. Under the policy, such Private Funds or proprietary accounts are managed in a manner consistent with NWQ's fiduciary duty to its other clients, it is the general policy that Private Funds or proprietary accounts should not receive special advantages nor be disadvantaged in any way.

From time to time, related persons of NWQ may engage in principal transactions or advisory cross transactions with NWQ's clients subject to compliance with applicable law. An inherent conflict of interest exists with principal transactions since an adviser has an opportunity to transfer unwanted securities from a proprietary account to a client's account, sell securities from its account to a client's account at prices above the market, or transfer more favorably priced securities from a client account to its account. NWQ has policies and procedures designed to comply with applicable requirements. Additionally,

NWQ requires that clients give consent by signing subscription agreements to purchase a Private Fund in which NWQ or a related entity has an interest.

Similarly, cross trades among client accounts create an inherent conflict of interest because NWQ has a duty to obtain the most favorable price for both the selling and the purchasing account. Accordingly, NWQ may effect such cross trades when the firm believes it is desirable to buy for one account securities or other instruments that another account owns and such trades are in the best interests of all accounts involved. In seeking an appropriate counterparty to purchase the securities one account is selling, NWQ considers a variety of factors including, but not limited to, investment objectives, strategies and restrictions, appetite for the security, and cash availability. Additionally, NWQ will generally only effect cross trades in securities or other instruments for which market quotations are readily available, although, on occasion, NWQ may effect cross trades in securities or other instruments for which a market quotation is not readily available. Trades will be effected at a price which NWQ has a reasonable basis for believing is fair and equitable to both the buyer and seller. NWQ does not receive any commission or compensation in connection with effecting cross trades.

Participation or Interest in Personal Trading – Client Recommendations

NWQ and its related persons may invest in securities for their personal accounts that are also recommended to NWQ clients. Potential conflicts may arise in this situation because NWQ or its related persons may have a material interest in or relationship with the issuer of a security or may use knowledge about pending or currently considered securities transactions for clients to profit personally.

To address these potential conflicts, each employee is required to provide securities trading activity reports quarterly and securities holding reports upon commencement of employment and thereafter on an annual basis. In addition, employee transactions are subject to trading limitations as described above.

NWQ, its employees and its affiliates may give advice and take action in the performance of their duties for some clients that may differ from advice given, or the timing or nature of actions taken, for other clients or for their proprietary or personal accounts.

Subject to the restrictions described above, and more explicitly described in the Code (as amended from time to time), NWQ and its employees may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which a client account may have an interest from time to time. NWQ has no obligation to acquire for a client account a position in any investment which it, acting on behalf of another client, or an employee, may acquire, and the client accounts shall not have the right of first refusal, co-investment or other rights in respect of any such investment.

Participation or Interest in Personal Trading – Client Trading

The following additional restrictions apply to related persons of NWQ who (i) in connection with their regular functions or duties make or participate in making recommendations regarding the purchase or sale of securities for a client account, or (ii) are Investment Persons.

In the event that a client account transacts within seven (7) days preceding or following an Investment Person's transaction in the same (or related, or equivalent) security, the Investment Person may be required to dispose of the security and/or disgorge any profits associated with his or her transaction. Such disposal and/or disgorgement may be required notwithstanding any prior written approval granted.

If an Investment Person has executed a transaction in a security for his or her own account, and within seven (7) days thereafter such security is considered for purchase or sale by a client account, the Investment Person shall follow the procedures set forth in the Code in connection with such transactions.

With respect to other related persons that are not Investment Persons, NWQ and its advisory affiliates maintain procedures (including certain information barriers) designed generally to provide for independent exercise of investment and voting power.

ITEM 12 BROKERAGE PRACTICES

Broker-Dealer Selection

Discretionary Brokerage Arrangements

In determining the broker-dealers through which to place securities transactions for client accounts, NWQ's policy is to seek the best execution of orders at the most favorable price in light of the overall quality of brokerage and research services provided. When a client has given NWQ brokerage discretion, there is no restriction on the brokerage firms NWQ may select to execute the client's transactions. These accounts will be referred to as "Discretionary Brokerage Accounts." NWQ selects broker-dealers primarily on their capability to obtain the best combination of price and execution under the circumstances. NWQ also considers the broker-dealer's execution capability the commission rate or spread, the nature of the security being traded, the size of the transaction, the desired timing of the transaction, the activity existing and expected in the market for the particular security, and affiliated firm restrictions or client imposed restrictions. In addition NWQ considers its knowledge of the broker-dealer's financial stability and operational capabilities (including clearance and settlement), the maintenance of the confidentiality of orders, the responsiveness of the broker-dealer, and the broker-dealer's willingness to commit capital. Furthermore, NWQ considers the value, nature and quality of any brokerage and research products and services. Subject to the satisfaction of its obligation to seek best execution, NWQ may also consider a broker-dealer's access to initial public offerings ("IPOs") and secondary offerings.

As a result of any or a combination of the above factors, transactions will not always be executed at the lowest available price, commission, and/or mark-up/mark-down, but will be within a generally competitive range as NWQ does not adhere to any rigid formula in making the selection of any particular broker-dealer, but weighs a combination of the preceding and, potentially, other factors. Additionally, transactions which involve specialized services on the part of the broker-dealer involved usually entail higher commissions than would be the case with other transactions requiring more routine services.

Furthermore, NWQ may utilize the services of a trade and/or settlement aggregator (an "Aggregator") when placing block orders. NWQ believes that the use of an Aggregator can address issues associated with market fragmentation, including, but not limited to, additional clearing/settlement costs associated with executions through multiple trading venues, by enabling NWQ to access multiple pools of liquidity while minimizing clearing/settlement costs. The cost of the aggregation service is included in the commission rates associated with the underlying trades. While NWQ may be able to negotiate a lower "execution only" commission rate if it did not use an Aggregator, NWQ believes that the reduced clearing/settlement costs are greater than the additional commission cost such that over time, clients' total transactions costs are reduced.

In light of the characteristics of the fixed income market, best execution is not evaluated on a transaction-by-transaction basis, but on an overall basis over an extended period of time. Fixed income securities may be purchased from the issuer or a primary market-maker acting as principal for the securities on a net basis, with no brokerage commissions being paid by the client, although the price usually includes certain undisclosed compensation to the dealer. Transactions placed through dealers serving as primary market-makers reflect the spread between the bid and asked prices. Additionally, consistent with its responsibilities in seeking best execution, NWQ may engage a broker-dealer to act as agent (for which such broker-dealer will be paid a negotiated commission) in purchasing fixed-income securities for client accounts. Securities also may be purchased from underwriters at prices that include underwriting fees. Fixed income transactions may be executed on either a principal or agency basis and are executed by investment personnel or by trading personnel at the direction of the investment personnel.

NWQ has established a Best Execution Committee that has oversight and policy making responsibility for NWQ's brokerage practices. Committee membership includes senior management and representatives from trading, portfolio management, research, and legal and compliance. The Committee meets quarterly or more frequently as needed.

NWQ places orders through financial firms that may use, offer or include products or services of NWQ or its affiliate. NWQ does not take into account such business arrangements when selecting firms through whom orders are placed.

In addition, NWQ may receive various data services, including file download and on-line services, free of charge from banks and brokerage firms that act as custodians of client assets. NWQ does not consider these services during the broker selection process. NWQ will not compensate any broker either directly or indirectly by directing brokerage transactions for consideration of the aforementioned services.

Managed Account and Wrap Fee Arrangements

As more fully described under NWQ's description of its advisory business which is located in Item 4, Managed Account Program clients enter into Managed Account Program agreements with a Program Sponsor for fully bundled (wrap fee) arrangements or partially bundled arrangements. Because transaction costs for trades executed by the Program Sponsor under both arrangements are included in the client's fee, NWQ does not negotiate brokerage commissions with Program Sponsors. To the extent that NWQ effects a transaction with a Program Sponsor or affiliated broker-dealer with which the client has a fully or partially bundled arrangement, the client does not pay commissions on equity transactions with such firm and a portion of the single fee is considered to be in lieu of brokerage commissions. In connection with such arrangements, NWQ may use the specified brokerage firm, although it is permitted to trade away/step out from the firm. (Please see "Step-Out Transactions" below). However, if NWQ places client trades with another firm, the client may incur trading costs including for example, brokerage

commissions, mark-up or mark-downs, or other transaction fees, in addition to the program fee charged by the Program Sponsor.

While Program Sponsors generally can offer competitive prices for transactions or will permit certain step-out transactions, this may not be case in the future. In addition, a Program Sponsor may charge additional fees for settling step-out transactions. For additional information about other fees and expenses relating to Managed Account Programs, please see the response to Item 5.

A client should evaluate whether a particular Managed Account Program is suitable for his or her needs in light of the program fee, the package of services provided, the amount of portfolio activity in the account, and the value of custodial and portfolio monitoring services. The program fee may be higher or lower than the total cost of all the services provided and paid for separately.

Step-Out Transactions

A step out trade is one in which NWQ places the order for a transaction for one or more client accounts with a broker (the “Step-Out Broker”), who executes the trade and then steps it out to the Directed Broker for clearance and settlement.

In certain cases, the Step-Out Broker executes the trade for the Directed Brokerage Accounts or Managed Accounts that permit step-out transactions without any commission because the customer on the opposite side of the transaction pays a commission, or in order to obtain the order flow. NWQ may include Discretionary Brokerage Accounts in a step-out transaction so that the Step-Out Broker receives commissions from the Discretionary Brokerage Accounts. NWQ negotiates the commission rate for Discretionary Brokerage Accounts in each Step-Out Transaction. NWQ also may execute a Step-Out Transaction on a net basis with a market maker or other broker-dealer when it believes that the use of market maker or other broker-dealer will provide a better execution. In such cases, transaction compensation to the Step-Out Broker is included in the net price of the security.

Although NWQ does not believe there is any adverse impact to Discretionary Brokerage Accounts participating in Step-Out Transactions, it is possible that the commission rate that NWQ negotiates for Discretionary Brokerage Accounts in a Step-Out Transaction might be lower if the block did not include Directed Brokerage Accounts. On the other hand, if the Directed Brokerage Accounts were not included in the step-out transaction, NWQ might not be able to obtain as favorable a price because the size of the block order would be substantially reduced. Thus, on balance, NWQ believes that combining Discretionary Brokerage Accounts and Directed Brokerage Accounts in one block order benefits both the Discretionary Brokerage Accounts and the Directed Brokerage Accounts because the size of the block order can result in a better price and execution for all accounts.

The broker shown on the confirmation for a Step-Out Transaction for a Directed Brokerage Account is not the Step-Out Broker (the firm that executed the transaction) but the Directed Broker. The price shown on the confirmation may be shown “net,” meaning that it includes a mark-up/mark-down or other service fee charged by the Step-Out Broker for executing the transaction. The amount of this mark-down/mark-up or service fee, is not shown on the confirmation (for example, a security that cost \$10 per share with a two (2) cent per share ATS/ECN fee will be shown as costing \$10.02 per share). The Directed Broker receives the compensation, if any, shown on the confirmation. This compensation is at whatever commission rate or other fee that the client has negotiated.

Research and Other Soft Dollar Benefits

NWQ may use a broker that charges more than the lowest available commission when NWQ determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker (a practice commonly referred to as “paying up”). Consistent with the policy of seeking best price and execution, and in accordance with Section 28(e) of the Securities Exchange Act of 1934, NWQ may consider the research and brokerage services capabilities of various brokerage firms, including the reputation and standing of their analyses and their investment strategies, timely accuracy of statistical information, and idea generation when selecting brokers to execute client transactions. NWQ is in effect paying for the brokerage and research products and services with client commissions, so-called “soft dollars.”

Broker-dealers provide proprietary products or services directly to NWQ and do not purchase products or services from a third party for NWQ. NWQ does not receive from broker-dealers any brokerage or research products or services that it also uses for business purposes unrelated to brokerage or research (commonly referred to as “mixed use” products or services). Additionally, NWQ currently pays directly for third-party research services provided by firms that are not broker-dealers.

NWQ believes it has received these services directly from the brokers through which transactions have been executed and/or their affiliates, and not on a non-proprietary basis through third parties as a result of commission sharing or other similar arrangements. Because of the nature of these services, NWQ currently is unable to the value of any such services from a broker-dealer’s execution services with any meaningful degree of accuracy. However, the primary institutions from which NWQ received such services for the calendar year ended 2010 included CS First Boston/Holt, JP Morgan, Barclays, Morgan Stanley, Deutsche Bank, RBC Capital, Stifel Nicolaus, Citigroup, Sanford Bernstein and Goldman Sachs. Please contact your account representative should you wish a complete list of brokers from which NWQ received such proprietary research services.

When NWQ uses client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the products

or services. The research products and services which NWQ receives generally consists of research reports or advice from a broker's analysts regarding specific companies, industries or general economic conditions, and may include meetings with portfolio companies or companies under consideration for purchase. The research products and services may also include economic analysis and forecasts, financial market analysis and forecasts, industry and company specific analysis, interest rate forecasts, arbitrage relative valuation analysis of various debt securities, analysis of U.S. Treasury securities, research-dedicated computer software and related consulting services, market data services and other services that assist in the investment decision-making process. Research products and services are received primarily in the form of written reports, computer-generated services, telephone contacts and personal meetings with securities analysts. Research services also may be provided in the form of meetings arranged by broker-dealers with corporate management teams and spokespersons, as well as industry spokespersons.

As a general matter, the brokerage and research products and services that NWQ receives from broker-dealers are used to service all of NWQ's advisory accounts. However, any particular brokerage and research product or service may be used to service fewer than all advisory accounts, and may not benefit the particular account(s) that generated the brokerage commissions used to acquire the product or service. For example, equity commissions are used for brokerage and research products and services utilized in managing fixed income accounts and the fixed income portion of balanced accounts. In addition, accounts that do not generate any commissions used to acquire brokerage and research products and services may benefit from those that do. For example, NWQ generally obtains research and brokerage services only with respect to transactions for Discretionary Brokerage Accounts (and not with respect to directed brokerage transactions for Directed Brokerage Accounts [as defined herein] and Managed Accounts). However, NWQ uses the benefits of the research and brokerage services in providing advisory services to Discretionary Brokerage Accounts, Directed Brokerage Accounts and Managed Accounts.

At least annually, NWQ reviews the amount and nature of the brokerage and research products and services discussed above, as well as the extent to which such services are relied upon, and sets informal total commission targets for the broker-dealers on the basis of such considerations. The Best Execution Committee reviews this analysis, the targets, and any adjustments in the targets with input from its portfolio managers, traders and analysts. The actual brokerage business allocated to a particular broker-dealer may be more or less than the informal target. NWQ does not make binding commitments regarding the level of brokerage commissions it will allocate to a broker-dealer. In certain instances, NWQ may pay hard dollars directly to a broker for products or services; however, NWQ does not commit to pay hard dollars directly to the vendor of a product or service if the informal targets are not met. Receipt of products or services other than brokerage or research is not a factor in allocating brokerage. Nevertheless, NWQ may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution.

Additionally, consistent with its responsibilities in seeking best execution, NWQ may engage a broker-dealer to act as agent (for which such broker-dealer will be paid a negotiated commission) in purchasing fixed-income securities for client accounts. NWQ also may receive brokerage and research services from broker-dealers in connection with certain “eligible riskless principal transactions,” in which both the purchase and offsetting sale transaction are executed by the broker-dealer at the same price, and such price is disclosed on a confirmation that also fully discloses the remuneration to the broker-dealer for effecting the transaction.

The brokerage and research products and services that NWQ receives from broker-dealers supplement NWQ’s own research activities. As a practical matter, in some cases NWQ could not, on its own, generate all of the research that broker-dealers provide without materially increasing expenses. Soft dollar arrangements create a potential conflict by possibly giving an investment adviser an incentive to trade frequently to generate commissions to pay for these products or services, which may not be in the best interests of an adviser’s clients, or, in some cases, to trade actively in certain accounts to obtain research used primarily by other, less frequently traded accounts. NWQ attempts to mitigate these potential conflicts through oversight of soft dollar usage by the Best Execution Committee.

Brokerage for Client Referrals

NWQ does not consider any client referrals it or a related person receives when selecting or recommending broker-dealers.

Directed Brokerage

Some of NWQ’s clients direct NWQ to use a particular brokerage firm (“Directed Broker”) for some or all of the account’s transactions. Generally, these directions are typically provided by clients for one of three reasons: (1) the client has entered into a commission recapture arrangement with the Directed Broker, (2) the individual broker has referred the client to NWQ, or (3) the client’s custodial arrangements and brokerage are being provided by the Directed Broker or its affiliate. All of these types of accounts will be referred to as “Directed Brokerage Accounts.”

Commission Recapture Arrangements. In the typical commission recapture arrangement, the client and the broker have negotiated the commission rate and the amount of the brokerage commission that the broker will use to offset hard dollar costs, usually for consulting services, that the client would otherwise pay.

Referred Brokerage Arrangements. When a broker refers a client to NWQ and the client wants to retain that broker, the client and broker would negotiate the

brokerage commission rate. This negotiation may or may not take into account additional services the broker offers, such as custody as noted below.

Custodian Brokerage Arrangements. In this arrangement, the client has negotiated a commission rate that includes custodial services at the Directed Broker and/or affiliated custodian.

Partial Direction

When clients direct NWQ to place orders for a portion of their trades through a specific broker-dealer (the “directed broker”) for purposes of the directed broker obtaining a certain level of commissions, NWQ generally will endeavor to aggregate the directed brokerage order with non-directed brokerage orders for execution and then step out the trade to the directed broker for clearance and settlement. This arrangement facilitates two purposes. First, a step-out allows the directed broker to receive the commissions. Second, aggregation of directed brokerage orders with non-directed orders allows directed brokerage clients to participate on the same terms and conditions as other non-directed brokerage clients when the terms of the aggregated order are equal to or more advantageous than the terms the client has negotiated with their directed broker. For trades that result from cash flows into or out of the client’s account, NWQ will typically execute such trades through the directed broker and the client’s account will pay the commission rate that the client has independently negotiated with the directed broker.

In instances where clients provide instructions for brokerage direction and there is no negotiated commission rate between the broker and client, NWQ’s general policy is to target directed brokerage such that commissions to the Directed Broker ranges from 25-50% of the total commissions paid by the client (based on an annual period). NWQ directs trades for these accounts to the Directed Broker at its discretion subject to best execution and at the same commission rate paid by all discretionary accounts participating in the transaction as described above.

Mandatory Direction

When clients have expressed their desire to place orders exclusively with their directed broker for purposes of the directed broker obtaining all of the commissions but have *not* negotiated specified trading charges, NWQ will endeavor to aggregate the directed brokerage order with other non-directed brokerage orders and then step-out the trade to the directed broker for clearance and settlement. Again, this arrangement facilitates two purposes. First, a step-out allows the directed broker to receive the commissions. Second, aggregation of directed brokerage orders with non-directed orders allows directed brokerage clients. However, where clients have expressed their desire to place orders exclusively with their directed broker and have independently negotiated specified trading charges, NWQ generally will aggregate the directed brokerage order with other non-directed brokerage clients’ orders for execution but the client’s account will pay the rate that the client negotiated with their directed broker.

Mandatory Execution

When clients have expressed their desire to have their orders executed exclusively with their directed broker, NWQ is unable to aggregate mandatory execution orders with other non-mandatory client orders unless the mandatory execution directed broker is also the executing broker for the non-mandatory clients' aggregated order. As such, mandatory execution orders typically are executed after all other aggregated client orders.

Certain Custodian Arrangements

Clients who have negotiated custodial arrangements with their Directed Broker may be precluded from having trades executed through their Directed Broker's affiliate. If NWQ executes an aggregated trade with a Directed Broker's affiliate, the account may not be able to participate in the aggregated trade. Orders for such accounts would typically be placed at the end of the trading rotation for execution with the Directed Broker's trading desk.

Furthermore, client accounts, whose Program Sponsor or affiliate is a member of the underwriting syndicate of a Public Offering, as defined below, typically do not participate in aggregated trades of the offering with the member or affiliate. Orders for such accounts would typically be placed in the secondary market.

Clients are encouraged to speak with their Program Sponsor to determine if these restrictions apply to their account.

Limitations of Directed Brokerage

While NWQ attempts to aggregate clients' transactions and thereby obtain a volume discount on commissions it may not be able to do so in all situations. As a result, the client may pay a higher commission, receive smaller commission discounts or receive a less favorable price for a security than if NWQ had discretion to choose the broker or aggregate trades with other clients. When possible, NWQ aggregates the trades of clients who have requested that their brokerage be directed to the same brokerage firm. However, NWQ may not be able to negotiate volume commission discounts in such situations. Certain clients who participate in such block trades are charged different commission rates and may pay or receive different prices for a security. Therefore, a client in directing NWQ to use a particular broker should consider whether such direction may result in certain costs or disadvantages to the client.

As noted above, when a client asks NWQ to direct trades through a specific directed broker, the broker dealer may provide the client with certain additional services, such as custody, consulting or other services or products, and all or a portion of the directed transaction costs (commission rates and/or minimum ticket charges or other charges) may be used to pay for such services. NWQ does not generally have complete information regarding the terms of such arrangements, and the client is responsible for regularly monitoring the quantity, quality and value of services provided for the three types of

arrangements defined above and determining that the arrangement continues to be in its best interest.

Although transaction costs are only one component of a best execution analysis, many directed brokerage accounts pay effective rates of commissions that are higher than client accounts that do not have directed brokerage arrangements. Other broker-dealers may provide additional services at a lower cost. As such, NWQ cannot ensure in any given transaction with the directed broker that it will be able to obtain the lowest overall cost for the client's account.

NWQ may be in a better position to negotiate transaction commissions if brokerage were not directed by a client than it is when the client directs its brokerage to a particular broker. Thus, the brokerage commission under a directed brokerage arrangement may be in excess of commissions which could be obtained from another brokerage firm and higher than other NWQ clients may pay. A client who directs NWQ to use a particular broker, even one who provides additional services such as custody, should consider whether commission expenses, execution, clearance and settlement charges are comparable to those otherwise obtainable by NWQ.

Moreover, conflicts of interest may exist under directed brokerage arrangements for NWQ when its client directs brokerage to a Program Sponsor who refers clients to NWQ by creating an incentive for NWQ to place more trades with the broker referring clients without consideration of best execution.

Aggregation of Trades

A variety of factors is considered in determining whether or not a particular client may or may not participate in an aggregated order and/or a specific allocation. These factors include, but are not limited to, cash availability, investment guideline restrictions, risk tolerance, position weightings, account size, and directed brokerage requirements as outlined above. Any of these factors may result in differences in invested positions and securities held which could lead to security and/or performance dispersion among client accounts.

NWQ seeks to combine orders for multiple client accounts so as to limit the market impact of NWQ's orders, to facilitate price improvement on trading larger blocks of securities and to minimize dispersion across all client accounts. For firm wide transactions for clients' accounts in the same security, as opposed to transactions resulting from cash flows or terminations, NWQ typically aggregates the transactions of most client accounts for whom the transaction is appropriate, regardless of the client's type of brokerage arrangement.

When aggregating orders of a particular strategy or combination of strategies is determined to be in the best interest of clients, the following allocation guidelines generally are followed for all clients participating in the execution under the same trading circumstances (i.e., price limits, time of entry, etc.):

- Aggregated orders filled in their entirety typically will be allocated among the participating accounts as determined by an account's target weighting for a particular security.
- With respect to partial allocations, the executed portion of the transaction typically will be allocated pro-rata basis (to the nearest round lot of 100 shares) with each portfolio involved receiving a percentage of the executed portion of the order based upon each portfolio's percentage of the original order. In the event of a de minimus allocation, the trader has the authority to determine an appropriate allocation methodology.

For Institutional Accounts, transaction costs, including brokerage commission allocations, are shared pro-rata based upon each client's participation in the executed portion of the transaction. Usually, NWQ requests each Step-Out Broker to average price all of that broker's executions during a day so that each participating account in the step-out transaction with that broker obtains the same price. Accounts in an aggregated transaction pay the same commission per share unless the client has directed its brokerage to a particular directed broker at a specified rate. In those situations, clients may pay different commissions as explained above in the Directed Brokerage Arrangements section.

Notwithstanding any of the foregoing, an aggregated order may be allocated on a basis different from noted above if all clients receive fair and equitable treatment over time and no preference is given with respect to portfolio size, broker affiliation, tenure of client, or type of investment management fee.

Aggregation and Allocation Procedures for Fixed Income Securities

Prior to transacting in fixed income securities, including convertible and preferred securities, the appropriate accounts are identified based on the strategy group. A variety of factors are considered in determining as to whether or not a particular client may participate in an aggregated order and/or a specific allocation. These factors include, but are not limited to, cash availability, investment guideline restrictions, and an account's current exposures to credit, sector, maturity and duration. Block purchase and sales of fixed income securities are allocated on a pro-rata basis to suitable accounts within the strategy group, subject to a 25,000 par value minimum lot size due to liquidity constraints, to ensure that accounts of the same strategy group have a similar exposure profile. However, any of these factors may result in differences in invested positions and securities held which could lead to security and/or performance dispersion among client accounts.

Special Allocation Procedures

In most strategies, NWQ may from time to time purchase securities in an initial public offering or a secondary offering (together "Deals"). With respect to strategies that invest in Deals, NWQ does not allocate such securities to Managed Accounts, accounts

custodied at brokerage firms except for prime brokerage accounts, or to any account custodied at a bank that pays a fee to a financial services firm that is a member of the underwriting syndicate for the Public Offering or whose affiliate is a member of the underwriting syndicate for the Public Offering, and other accounts for which the security would not be appropriate or for which the account is not eligible to participate. NWQ is typically allocated only a portion of any Deal and allocates shares purchased pro rata based on initial indication of interest. The amount of performance contribution varies from year-to-year depending on availability and prevailing market conditions. NWQ cannot guarantee continued access to Deals or any ability to profit from them in the future.

Commensurate with a particular investment strategy, NWQ may invest in 144A securities from time to time provided the client is a Qualified Institutional Buyer (“QIB”) as defined under Rule 144A of the Securities Act of 1933. However, for clients with less than \$5 million under management, NWQ makes a reasonable eligibility judgment regarding QIB status and typically does not invest in 144A securities for these accounts. NWQ attempts to allocate 144A securities on a pro rata basis to eligible accounts taking into consideration availability. In the event of a de minimus allocation, the trader has the authority to determine an appropriate allocation methodology.

NWQ allocates securities acquired in a Regulation S offering, typically on a pro rata basis to the extent feasible, only to accounts that are not held by a U.S. resident or U.S. citizen to whom the offering may be made in compliance with the laws of the jurisdiction in which the account resides, for whom the purchase would be suitable and that have available cash.

ITEM 13 REVIEW OF ACCOUNTS

Institutional and Private Client Portfolios

The strategy portfolio manager, with assistance from the portfolio management team, is responsible for the execution of strategic decisions and the daily management and monitoring of the portfolio subject to individual client investment guidelines. As part of their oversight, the portfolio management team monitors cash balances in client accounts on a daily basis. Depending upon the trading activity, dispersion among client account holdings is reviewed periodically, but no less frequently than weekly.

Client specific investment guidelines are monitored on an ongoing basis by the portfolio management team and the compliance team to ensure adherence to client, regulatory and internal guidelines. All new trade orders are reviewed and cleared prior to the order being released to the trading desk. The compliance team works closely with the portfolio management team to ensure that questions which arise as a result of the pre-trade monitoring process are addressed in a timely and accurate manner. In addition, the compliance team independently monitors portfolio investment restrictions daily on a “batch” basis with respect to current holdings in order to identify any passive breaches that may have arisen as a result of market movements. In addition, there is an established escalation protocol whereby all outstanding guideline alerts are reported to the Chief Compliance Officer and the portfolio management team on a weekly basis to ensure issues are addressed and resolved within an appropriate timeframe.

Managed Accounts

The trader responsible for Managed Accounts in each investment strategy reviews security flows daily as well as cash levels daily for dispersion among accounts. The traders also review their previous day’s block orders on the Program Sponsor’s or internal portfolio trading system to determine if the orders were processed correctly. Dispersion reviews of Managed Account holdings in each investment strategy, at the program level, at each Program Sponsor are completed monthly. Dispersion reviews of Managed Account holdings, at the account level, at each Program Sponsor are completed weekly.

Factors Triggering a Review

Factors which may trigger a supplemental account review include, but are not limited to, (i) contributions to or distributions from an account, (ii) changes in an institutional or Managed Account Program’s investment objectives as agreed to with NWQ, or (iii) changes in a Managed Account Program client’s financial profile as communicated to NWQ.

Client Reports

Institutional Separate Accounts

Clients typically receive quarterly written reports listing their portfolio holdings and the performance of their portfolio for various periods compared to benchmark data. At a client's reasonable request, NWQ provides additional information as mutually agreed between the client and NWQ such as transaction summaries, gain/loss reports or commission reports.

Investors in Private Funds

Each Private Fund investor receives monthly written capital account statements listing the current value of their account and the recent and since inception performance compared to benchmark data, if applicable. Investors also receive annual audited financial statements and tax information. Certain unaudited information may be sent on a periodic basis.

Managed Account and Financial Planning Firm Accounts

Managed Account and Financial Planning Firm clients typically receive written reports directly from the Program Sponsor or Financial Planning Firm who determine the frequency and content of the reports.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

Payments to Others - General

In the ordinary course of business, NWQ or a related person performing services on behalf of NWQ may send corporate gifts or pay for meals and entertainment for individuals of firms that do business with NWQ. NWQ employees or related persons also may be the recipients of corporate gifts, meals and entertainment. The giving and receipt of gifts and other benefits are subject to limitations under NWQ's Code of Ethics.

In addition, NWQ may receive various data services, including file download and on-line services, free of charge from banks and brokerage firms that act as custodians of client assets. Receipt of such services may pose a conflict of interest if NWQ were to consider any of these services when selecting a brokerage firm for the execution of client securities transactions. NWQ does not consider the aforementioned services during the broker selection process, nor will NWQ compensate any broker either directly or indirectly by directing brokerage transactions for consideration of these services.

NWQ, or a related person on NWQ's behalf, may pay fees to consultants for their advice and services, industry or peer group information, educational programs, software services or conference attendance. A conflict could exist if the consultant were to recommend NWQ's services based upon the amount of services NWQ purchased.

Additionally, certain NWQ supervised persons and related sales personnel may receive certain discretionary compensation for successful marketing or selling activities with respect to shares or interests in the Funds or Private Funds advised or subadvised by NWQ. For additional information about NWQ's compensation for the sale of securities, please see the response to Item 5 above.

Payments to Others - Managed Account Programs

NWQ (or an affiliate on its behalf) may make payments to firms or persons that use, offer or include products or services of NWQ in a particular program, include NWQ in a preferred list of advisers, or refer clients to NWQ. These payments may take the form of conference, program or event attendance, participation or exhibition fees, educational and training fees, or fees linked to program participation or specific marketing initiatives within an existing program. NWQ may pay travel, meal and entertainment expenses for a firm's representatives and others who visit NWQ's offices or other locations (including hotels and conference centers) to learn about its products and services.

NWQ also may make charitable contributions or underwrite or sponsor charitable events at the request of others. Payments described above may vary significantly from firm to firm depending on the nature of NWQ's and its affiliated investment advisers' Managed Program Account activities with the firm and the amount of the firm's Managed Program

Account client assets under NWQ's and its affiliated investment advisers' management. Payments are subject to NWQ or a related person's internal review and approval procedures.

Certain Managed Account Program Sponsors may establish trade error accounts for their programs, in which instances NWQ follows the Program Sponsor's particular procedures. In certain programs, losses for certain errors in client accounts managed by NWQ may be offset by gains in other client accounts managed by NWQ in the same Managed Account Program(s) over varying time periods. This offsetting of losses with gains could result in a benefit to NWQ.

Managed Account Program clients are encouraged to request and review materials from program sponsors (such as a sponsor's program brochure) describing business and financial terms and arrangements between program sponsors and investment advisers.

Payments to Others – Funds

NWQ is affiliated with the Nuveen Investments Wealth Management Services group, a division of Nuveen Investments that provides free general educational services to financial intermediaries who typically offer or use products or services of NWQ and/or its advisory affiliates. Nuveen Investments Wealth Management Services makes available various financial and educational tools, reports, materials and presentations on current industry topics relevant to a financial advisor. Certain financial tools and illustrations may use data provided by a financial advisor. Materials and services provided by Nuveen Investments Wealth Management Services group are not intended to constitute financial planning, tax, legal, or investment advice and are for educational purposes only.

Compensation for Client Referrals

From time to time, NWQ, or its related persons on NWQ's behalf, may enter into written solicitation agreements for the referral of NWQ's investment advisory services under which persons introducing new clients to NWQ receive a referral fee. Generally, the fee is based on a percentage of the investment advisory fees earned on assets invested with NWQ at the commencement of the relationship. Clients do not pay higher fees as a result of these arrangements.

ITEM 15 CUSTODY

NWQ serves as investment manager and a related person serves as the general partner of certain Private Funds. As a result, NWQ is deemed to have access to the funds and securities in the Private Funds. NWQ, as a matter of policy, seeks to ensure that it complies with the pooled investment vehicle exemption and the privately offered securities exemption outlined in Rule 206(4)-2 under the Investment Advisers Act of 1940 (the “Custody Rule” or the “Rule”), as amended.

Furthermore, NWQ is deemed to have a limited form of custody with respect to certain client assets by virtue of its authority to withdraw advisory fees from client accounts. Accordingly, NWQ maintains policies and procedures reasonably designed to mitigate the risk of fees not being deducted from client accounts in accordance with advisory contract terms.

Clients will receive account statements from their qualified custodians and should carefully review those statements. Clients also receive account statements from NWQ at least quarterly. NWQ’s statements are not intended to replace the statement sent directly by the client’s qualified custodian which is the client’s official record for all pertinent account information. NWQ urges clients to compare the information contained in their NWQ account statement to the information reflected on the statement sent directly by its qualified custodian. The information provided in NWQ’s account statement is as of the date referenced on the report and is based on sources NWQ believes are accurate and reliable. NWQ’s account statements may vary from custodial statements based on reporting dates, accounting procedures, or valuation methodologies of certain securities. NWQ requests that clients notify their relationship manager promptly if they do not receive a statement directly from their custodian on at least a quarterly basis that contains the amount of funds and each security in their account at the end of the period, and all transactions in the account during that period.

In the event of an inadvertent receipt of any check or other financial instrument payable to a client, NWQ reserves the right to send the check or instrument to the client or its custodian rather than back to the original sender when it believes that such procedure provides the best overall protection for the underlying assets.

ITEM 16 INVESTMENT DISCRETION

NWQ is generally granted discretionary authority to manage securities accounts on behalf of its clients. For Institutional Accounts, NWQ generally obtains a client's written consent to its discretionary authority with respect to the client's assets in the form of an executed investment management agreement or other comparable services agreement prior to providing discretionary advisory services. Private Fund clients execute subscription documents prior to NWQ providing discretionary advisory services.

For Managed Account Programs, NWQ is appointed to act as an investment adviser through a process administered by the Program Sponsor. Clients participating in a Managed Account Program, generally with assistance from the Program Sponsor, may select NWQ to provide investment advisory services for their account (or a portion thereof) in a particular strategy. NWQ provides investment advisory services based upon the particularized needs of the Managed Account Program client as reflected in information provided to NWQ by the Program Sponsor, and will generally make itself available for direct telephone conversations or in-person meetings as reasonably requested by Managed Account Program clients and/or the Program Sponsors. Under special circumstances, NWQ will manage an account on a non-discretionary basis or in a model-based program, or permit modified discretion whereby NWQ submits a list of securities to purchase or sell for approval by the client and then acts in accordance with the client approval. Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a Managed Account Program.

NWQ's discretionary authority over an account is subject to directions, guidelines and limitations imposed by the client or, in the case of a Managed Account Program, the Program Sponsor, and in the course of providing services to any client account, NWQ relies on information or directions communicated by any Program Sponsor, adviser, broker, consultant, agent, representative or any other party acting with apparent authority on behalf of its client.

NWQ will endeavor to follow reasonable directions, investment guidelines and limitations imposed by the client, Program Sponsor or other parties acting with apparent authority on behalf of the client. However, although NWQ seeks to provide individualized investment advice to its discretionary client accounts, NWQ will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with NWQ's investment approach, and NWQ may decline to accept or terminate client accounts with such restrictions. In addition, NWQ has full discretion to determine the timing of investing a client's assets upon commencement of management of a client account and upon receipt of contributions to an account.

NWQ, in its discretion, may take positions for certain clients' accounts that are different than the positions it takes for other clients' accounts, based on differing investment

strategies and restrictions that may be imposed by individual clients, the age of the account, the size of the account as well as other factors that may distinguish accounts, such as the expressed ability and willingness of clients to absorb various levels of risk. For example, certain accounts may be long-only while other accounts may be long-short. Further, certain accounts (long-only or long-short) may pay performance fees, while other accounts pay a fee based on assets under management. Potential conflicts of interest may be present in these situations. NWQ periodically reviews allocations of investment opportunities and sequencing of transactions and compares the performance of such accounts.

NWQ may also hold different security types of the same issuer. In doing so, NWQ will evaluate each security type on the basis of its individual investment merits. This may result in NWQ taking different actions for different security types of the same issuer. This could create a conflict of interest in that NWQ's actions with respect to one security type could adversely affect clients who are holding another security type. Accordingly, NWQ will review the potential impact of such actions on all accounts invested in the issuer.

When clients contribute securities to new or existing accounts, NWQ will evaluate the securities contributed ("legacy positions") and may sell all or a portion of such securities at any time in NWQ's discretion to the extent that such securities would not be included in NWQ's normal portfolio holdings for such account. Depending on the nature or size of the legacy position and other factors, the client may receive a sale price that is less favorable than if the transaction involved a more liquid security or a more marketable-sized position. The client is responsible for any tax consequences of the sale.

If clients seek to contribute securities to a new or existing account so that NWQ will sell such securities, and then withdraws the cash proceeds, the client must expressly notify NWQ of its intent at the time of the contribution of securities. If a client contributes securities that are later sold, and fails to notify NWQ that such proceeds will be withdrawn, NWQ may invest the proceeds. The client is then responsible for any costs or losses, including taxes, associated with the subsequent sale of portfolio holdings and withdrawal of proceeds. NWQ reserves the right to decline to accept client instructions to liquidate securities when the proceeds will be withdrawn rather than reinvested. In that event, a client would be responsible for liquidation of the securities.

For additional information about NWQ's investment advisory services and investment restrictions, please see the response to Item 4.

ITEM 17 VOTING CLIENT SECURITIES

NWQ's Proxy Voting Policies and Procedures seek to ensure that proxies for which NWQ has ultimate voting authority are voted consistently and solely in the best economic interests of the beneficiaries of these equity investments. In addition, NWQ may determine not to vote proxies relating to certain securities if NWQ determines it would be in its clients' overall best interests not to vote, such as when the securities are foreign securities subject to share blocking (short-term prohibitions on selling after voting).

The Proxy Voting Committee is responsible for oversight of the proxy voting process. NWQ has engaged the services of Institutional Shareholder Services, Inc. ("ISS") to make recommendations to NWQ on the voting of proxies for securities held in client accounts. NWQ reviews and frequently follows ISS recommendations. However, NWQ may not vote in accordance with ISS' recommendations when NWQ believes an ISS recommendation is not in the best economic interest of clients and in certain other instances.

When faced with a material conflict of interest (as defined in its Proxy Voting Policies and Procedures) in voting a proxy, NWQ will vote any proxies relating to such company's securities in accordance with the ISS recommendations to avoid any conflict of interest or in the manner provided in the Proxy Voting Policies and Procedures.

If an Institutional Account client requests NWQ to follow specific voting guidelines, NWQ will review the request and inform the client if NWQ is not able to follow the client's request. Institutional Account clients may make such requests during the contract negotiation process or by contacting their relationship manager thereafter.

A copy of NWQ's Proxy Voting Policies and Procedures, as updated from time to time, as well as information regarding the voting of securities for a client account is available to clients upon written request. NWQ will provide such information through the most recently completed calendar quarter. To obtain a copy of NWQ's Proxy Voting Policies and Procedures or information on how NWQ voted a client's securities, please send a request to:

Institutional Accounts Administration
NWQ Investment Management Company, LLC
2049 Century Park East, 18th Floor
Los Angeles, CA 90067-3120

ITEM 18 FINANCIAL INFORMATION

NWQ does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet for its most recent fiscal year. NWQ is not aware of any financial condition that is reasonably likely to impair its ability meet its contractual commitments to clients, nor has NWQ been the subject of a bankruptcy petition at any time during the past ten years.

ADDITIONAL INFORMATION

Valuation of Client Securities

A conflict of interest may arise in NWQ overseeing the valuation of its investments if NWQ charges fees based upon its valuations. NWQ maintains procedures requiring, to the extent possible, pricing from an independent third party pricing vendor as determined by its approved pricing hierarchy. If vendor pricing is unavailable, NWQ then looks to other observable inputs for its valuations. In the event that a vendor price or other observable inputs are unavailable or deemed unreliable, NWQ has established a Fair Valuation Committee to make a reasonable determination of a security's fair value. When deemed reasonable, NWQ may agree to use a particular pricing source requested by a client. In these instances, the pricing vendor selected by the client may not be listed on NWQ's approved pricing hierarchy, or, if listed, may not be sequenced in the same order NWQ follows for selecting approved vendors for a particular security type. As a result, there may be deviations in valuations of a particular client account vs. other client accounts holding the same security.

Trade Errors

In the event of a trading error, such as an incorrect security being purchased or sold for a client's portfolio, that is discovered prior to settlement, NWQ will first seek to cancel the trade with the broker-dealer at no detriment or expense to the client and no quid pro quo to the broker. It is also permissible to clear an unsettled trade through a broker's in-house error account if the broker is reimbursed for any loss. If the trade cannot be cancelled or has otherwise settled, NWQ will take reasonable steps to put the client in the same position it would have been in had the error not occurred. NWQ shall reimburse any loss suffered by a client; any gain realized by a client as a result of correcting a trade error (post settlement) shall remain in the client's account. Netting of gains and losses is permitted in certain circumstances. NWQ is responsible for its own errors and not the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by NWQ. NWQ, in its sole discretion, may assist, to the extent possible, with the appropriate correction of errors committed by third parties.

For trade errors that occur in Managed Account Programs, NWQ generally does not have the ability to control the ultimate resolution of the trade error. In these instances, the trade error and resolution thereof is governed by the Program Sponsor's policies and procedures. For additional information regarding Managed Account trade errors, see "Payments to Others - Managed Account Programs" in the response to Item 14.

Class Actions Settlements Policy

Securities issuers are, on occasion, the subject of class action lawsuits where the class of potentially injured parties is defined to be purchasers of the issuer's securities during a discrete interval of time (the "Class Period"). These cases may result in an award of damages or settlement proceeds to the potentially adversely affected class members who

file claims (“Claims”) with the settlement administrator. At the time of the settlement, notice of the settlement together with a claim form and release is generally sent to the record holder of the securities who in turn may forward these notices to the beneficial owners of the securities.

To ensure that such Claims are filed on a timely basis, NWQ has made arrangements with a third-party service provider to (1) notify NWQ when Claims regarding securities held in NWQ Institutional Accounts and the Private Funds during the Class Period may be filed, and (2) complete and file the necessary Claim form, release and accompanying documentation for existing clients (at the time such Claim is made). Claims will be filed for all clients that are not part of any Managed Account Program and that: (a) presently hold the defendant’s securities or (b) held, at NWQ’s direction, such securities during the Class Period. Clients that have accounts managed by NWQ through a Managed Account Program will have Claims attributable to their accounts processed in accordance with the policies and practices of the Managed Account Program or referring Program Sponsor elected by the client and NWQ will not take any action on behalf of such clients. In addition, Claims on behalf of the Funds will be processed in accordance with the policies of the relevant fund. The third-party service provider will also provide NWQ with periodic reports.

Legal Proceedings

As a general matter, except as otherwise provided herein or as required by law, NWQ will not be obligated to monitor, advise or act for a client in legal proceedings, including, but not limited to bankruptcies or other legal proceedings involving securities purchased or held in a client’s account. Clients should instruct their Custodians to promptly forward any communications relating to legal proceedings involving such assets.

Canadian Client Disclosure

NWQ Investment Management Company, LLC (“NWQ”) is exempt from registration as an adviser in Alberta, British Columbia, Ontario, Nova Scotia and Quebec as it meets all of the conditions of an “Exempt International Adviser.” It is required to take certain steps to rely on that exemption, one of which is to provide its clients with notice of certain matters.

Notice is hereby given that:

1. NWQ is not registered as a ‘portfolio manager’ in Alberta, British Columbia, Ontario, Nova Scotia, or Quebec.
2. NWQ has its office of jurisdiction located at:

NWQ Investment Management Company, LLC
2049 Century Park East, 16th Floor
Los Angeles, CA 90067

3. The addresses for service of process for NWQ are as follows:

Alberta

Borden Ladner Gervais LLP
1000 Canterra Tower
400 Third Avenue SW
Calgary, Alberta, Canada
T2P 4H2

Nova Scotia

Stewart McKelvey
Suite 900, Purdy's Wharf Tower One
1959 Upper Water Street
Halifax, Nova Scotia, Canada

British Columbia

Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia, Canada
V6C 3L2

Quebec

Gowling Lafleur Henderson LLP
1 Place Ville Marie 37th Floor
Montreal, Quebec, Canada
H3C 3P4

Ontario

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario, Canada
M5K 1N2

4. There may be difficulty enforcing legal rights against a non-resident adviser because it is resident outside Canada and all or substantially all of its assets may be situated outside of Canada.

Privacy Statement

NWQ Investment Management Company, LLC, a wholly owned subsidiary of Nuveen Investments, Inc. and its affiliated investment advisers, funds, and broker dealer, considers your privacy our utmost concern. In order to provide you with individualized service, we collect certain nonpublic personal information about you from information you provide on applications or other forms (such as your address and social security number), and information about your account transactions with us (such as purchases, sales and account balances). We may also collect such information through your account inquiries by mail, email or telephone.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Specifically, so that we may continue to offer you Nuveen Investments products and services that best meet your investing needs, and to effect transactions that you request or authorize, we may disclose the information we collect, as described above, to companies that perform administrative or marketing services on our behalf, such as transfer agents, or printers and mailers that assist us in the distribution of investor materials. These companies will use this information only for the services for which we hired them, and are not permitted to use or share this information for any other purpose.

If you decide at some point either to close your account(s) or to become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice.

With regard to our internal security procedures, we restrict access to your personal and account information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.