

Form ADV Part 2A



Nuveen Asset Management, LLC

333 West Wacker Drive
Chicago, IL 60606
(312) 917-7700
www.nuveen.com

June 23, 2016

This Brochure provides information about the qualifications and business practices of Nuveen Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (312) 917-7700 or (800) 847-6369. 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 Nuveen Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Brochure dated June 23, 2016 is amended to reflect non-material changes and elaborations, including to fees and strategies.

The Brochure was amended as part of an annual update on March 18, 2016. Prior thereto, this Brochure was previously amended on September 25, 2015 primarily to reflect NAM's registration as a commodity trading advisor with the Commodity Futures Trading Commission ("CFTC"). Other than with respect to the foregoing matter, there were no material changes to the Brochure in connection with its annual update on March 18, 2016 from its previous annual update on March 16, 2015. There were additions, changes and elaborations, including to strategies and risk factors, and to affiliates, and enhancements and clarifications throughout.

Table of Contents

ITEM 4	ADVISORY BUSINESS.....	1
ITEM 5	FEES AND COMPENSATION	7
ITEM 6	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	21
ITEM 7	TYPES OF CLIENTS.....	22
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	23
ITEM 9	DISCIPLINARY INFORMATION	50
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	51
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	53
ITEM 12	BROKERAGE PRACTICES	56
ITEM 13	REVIEW OF ACCOUNTS	66
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION	67
ITEM 15	CUSTODY	69
ITEM 16	INVESTMENT DISCRETION	70
ITEM 17	VOTING CLIENT SECURITIES	71
ITEM 18	FINANCIAL INFORMATION.....	73
ADDITIONAL INFORMATION.....		i
Notice to Canadian Clients		i
Exhibit A - Primary Financial Industry Subsidiaries.....		ii

ITEM 4 ADVISORY BUSINESS

Nuveen Asset Management, LLC (“NAM”) provides investment advisory services to a broad range of individual and institutional clients, including open-end and closed-end investment companies registered under the Investment Company Act of 1940, as amended (the “1940 Act”) and other pooled investment vehicles (each, a “Fund” and collectively, “Funds”).

NAM also provides investment advisory services to institutional investors through separate account management under both direct advisory and sub-advisory mandates (“Institutional Separate Accounts”). In addition, NAM provides investment advisory services to clients through managed account programs (wrap fee and dual contract) sponsored by broker-dealers and other financial intermediaries (“SMA Accounts”). Although most services are provided on a discretionary basis, NAM also provides certain services on a non-discretionary and model portfolio basis.

NAM is the successor to the direct portfolio management business of Nuveen Asset Management (now known as Nuveen Fund Advisors, LLC (“NFA LLC”). Although NAM was launched as a new firm on January 1, 2011, it succeeds a business established in 1989. NAM is a subsidiary of NFA, LLC, which is a subsidiary of Nuveen Investments, Inc. (“Nuveen Investments”). Nuveen Investments is an indirect subsidiary of TIAA Global Asset Management, LLC (“TGAM”), which is a subsidiary of TIAA, a leading financial services provider. TIAA constitutes the ultimate principal owner of NAM. See Item 10.

Types of Advisory Services

General

As discussed above, NAM provides investment advisory or sub-advisory services to Funds, Institutional Separate Accounts and SMA Accounts.

NAM’s investment advisory services are provided generally based on the strategy selected by the client, subject to agreed-upon account restrictions and guidelines. NAM provides its services in a broad array of fixed income, equity and other investment strategies, including in the broad categories of municipal bonds, taxable fixed income, global and international, value, growth and core, real assets, asset allocation, quantitative/enhanced, index, managed volatility and non-traditional strategies. Depending on the particular strategy, NAM invests in a variety of securities and other investments, including in certain cases derivatives, and employs different investment techniques. Certain strategies include an allocation to Funds, including Funds affiliated with NAM or its affiliates. Certain strategies include elements of other strategies, and may be customized to meet the individualized needs of NAM’s clients. For additional information on NAM’s main strategies and principal risk factors, please see Item 8.

NAM’s portfolio managers are generally responsible for the investment decisions with respect to the investment strategy selected by an advisory account, including 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 NAM internal strategy guidelines. NAM provides its services in single strategy accounts, and alone or together with certain affiliated advisers, in combined and multi-strategy accounts. To the extent permitted by applicable law, NAM also may appoint investment sub-advisers to provide advisory services to one or more Funds, or delegate a portion of its investment advisory duties to sub-advisers.

A client or NAM generally may terminate its agreement at any time by providing thirty (30) days written notice. For wrap accounts, termination provisions vary by wrap fee program. Fees paid in advance are refunded on a pro rata basis if the service is terminated within the payment period.

NAM manages multiple accounts with different investment objectives, guidelines and policies, and with different fee structures. For example, certain accounts may be long-only while other accounts may be long-short. Further, certain accounts may pay performance fees. The management of these accounts gives rise to potential conflicts of interest because NAM has an incentive to favor one account over another. See Item 6.

In periods of market volatility, NAM 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, NAM may be unable to sell securities to raise cash, or to accommodate a terminating client's request to sell securities, as quickly, or at favorable prices, as it might have been able to do under normal market conditions. Depending on market movements, such delays could have an adverse impact on client accounts. In such periods of market volatility, NAM, when deemed advisable, also may deviate from its normal trading practices with respect to sequencing and allocation of transactions.

Institutional Separate Accounts

NAM provides advisory services to institutional clients including pension funds, profit sharing funds, charitable institutions, banks and thrift institutions, trust accounts, corporations, and insurance companies, and public entities, including municipalities, states and related agencies. The fees and services for each such arrangement are individually negotiated, depending on factors such as asset class, pre-existing relationship, portfolio complexity, client type, and account size or other special circumstances. See Item 5.

SMA Accounts

NAM provides investment advisory services to SMA Accounts through wrap fee and dual contract managed account programs. In traditional wrap fee programs, NAM 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, NAM 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 SMA Accounts, NAM is appointed to act as an investment adviser through a process generally administered or assisted by the program sponsor. Clients participating in a program, generally with assistance from the sponsor, may select NAM to provide investment advisory services for their account (or a portion thereof) for a particular strategy. NAM provides investment advisory services based upon the particular needs of the program client as reflected in information provided to NAM by the sponsor, and will generally make its representatives available for communication as reasonably requested by clients and/or sponsors. For certain SMA Accounts, administrative support is provided by Nuveen Global Operations ("NGO"), a division of Nuveen Investments Holdings, Inc., a NAM affiliate. See Item 10.

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 for a particular strategy and participating in a wrap, dual contract or other managed account program. In the course of providing services to SMA Accounts who have financial advisors, NAM generally relies on information or directions communicated by the financial advisor acting with apparent authority on behalf of its client.

NAM seeks to commence management of an account as soon as practicable after review of the account documentation, acceptance of its appointment as adviser and contribution of assets to the client's account. The time required to commence management varies 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. For some strategies, such as certain municipal bond strategies where the supply of appropriate bonds is limited, it may take ten weeks or longer to fully invest a client account. For certain municipal bond strategy SMA Accounts, the timing for fully investing an account is governed by the account's style parameters and/or client specific instructions, and NAM, in its discretion, will fully invest cash or gradually trade inherited securities over time in accordance with the account's guidelines.

In most instances, NAM expects that clients will authorize and direct the custodian selected by the client to automatically invest all cash in a money market fund (unaffiliated with NAM or its affiliated advisers) selected by the client or its financial advisor.

NAM maintains procedures for executing specific transactions in a client's account for tax reasons. Under these procedures, NAM will generally follow the directions of a client or its financial advisor regarding harvesting tax losses or gains, subject to certain scope, amount and timing limitations. Generally, the directions entail a repurchase of the sold security after the "wash sale" (thirty (30) day) period (e.g., in the case of equities), or a purchase of another appropriate security (e.g., in the case of municipal bonds). NAM generally relies in good faith on directions communicated by a financial advisor acting with apparent authority on behalf of its client.

In providing such directions, the client and its financial advisor are responsible for understanding the merits and consequences of their directions in light of the client's particular tax situation. Daily market fluctuations may affect the dollar amount of gain or loss with respect to certain investment decisions. The monetary benefit derived from tax loss selling, for example, may not exceed the risk of not being fully invested during that time. Executing tax sales (and repurchases) may adversely affect performance. NAM is not a tax advisor, and therefore clients should consult with their tax specialist to review their particular tax situation.

NAM may invest in exchange traded funds ("ETFs") or other pooled vehicles, including during the wash sale period. ETFs and other funds have certain imbedded costs, including management fees, of which the client account will bear a proportionate share while it is invested in the ETF or other fund.

NAM may provide or make available at no charge various reports or materials to certain managed account program sponsors and other financial intermediaries who typically use NAM services and products. These reports may analyze a prospective client's current holdings or show the effect of performance of a NAM composite over a particular time period in a manner directed by the sponsor or intermediary. Such reports are not intended to constitute investment advice, research or recommendations.

Advisory Services to Funds

NAM also provides investment management services to a variety of Funds, including 1940 Act registered Funds (e.g., mutual funds, closed-end funds, exchange traded funds ("ETFs"), unit investment trusts ("UITs") and non 1940 Act registered Funds (e.g., bank collective trusts, private funds and offshore funds). In connection with its advisory services to a Fund, NAM or its related persons providing services to such Fund generally receive advisory, administration, co-administration and/or distribution fees from the Fund and/or from investment advisers to the Fund. Clients should carefully review the Funds' prospectuses or other offering documents for more detailed information regarding a Fund to which NAM provides investment services.

Non-Discretionary Accounts and Model Portfolio Advice

For certain strategies, NAM provides certain non-discretionary investment services to clients who may include banks, broker-dealers and other financial services firms (including UIT sponsors), and other investors. Such services may include asset allocation advice, equity and fixed income research and model portfolio recommendations for a variety of investment styles. Model portfolios may relate to the same strategies that are also offered or utilized through discretionary accounts.

The recommendations implicit in the model portfolios provided to the sponsor or overlay manager may reflect recommendations being made by NAM contemporaneously to, or investment advisory decisions made contemporaneously for, similarly situated discretionary clients of NAM. As a result, NAM may have already commenced trading for its discretionary client accounts before the sponsor or overlay manager has received or had the opportunity to evaluate or act on NAM's recommendations. In this circumstance, trades ultimately placed by the sponsor or overlay manager 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 NAM for its discretionary client accounts. On the other hand, the sponsor or overlay manager may initiate trading based on NAM's recommendations before or at the same time NAM is also trading for its discretionary client accounts. Particularly with large orders or where the securities are thinly traded, this could result in NAM's discretionary clients receiving prices that are less favorable than prices that might otherwise have been obtained absent the sponsor or overlay manager's trading activity. Because NAM does not control the sponsor or overlay manager's execution of transactions for the sponsor or overlay manager's client accounts, NAM cannot control the market impact of such transactions to the same extent that it would for its discretionary client accounts.

Where NAM participates in model-based managed accounts programs, the model-based program sponsor or overlay manager is generally responsible for investment decisions and performing many other services and functions typically handled by NAM in a traditional discretionary managed account program. Depending on the particular facts and circumstances, NAM 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 program clients with whom NAM 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 or overlay manager generally exercises investment discretion and, in many cases, brokerage discretion, performance and other information relating to NAM'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. NAM is not responsible for overseeing the provision of services by a model-based program sponsor and cannot assure the quality of its services.

Institutional Solutions Group services

Through its Institutional Solutions Group, NAM provides customized investment services and strategies to defined benefit pension plans, public funds, foundations and endowments, insurance companies and other institutional investors. Depending on the mandate, services may include analysis; research; testing; performance monitoring; benchmarking; assisting in the development of or making recommendations regarding investment objectives, strategies, or metrics; coordination among underlying investment strategies; and/or reporting services with respect to an overall portfolio or a segment of an overall portfolio. These services are generally developed in close consultation with a client and its advisors, and provided on a non-discretionary or consulting basis.

In connection with such services or on a stand-alone basis, for all or a portion of a client's overall portfolio, a client may also appoint NAM as portfolio manager to manage a traditional strategy and/or a customized strategy designed to address a specific need with respect to the overall

client portfolio. Customized strategies may include liability-driven investment (LDI) strategies which take into account liquidity, yield, and other factors in order to seek to meet certain expected liabilities or otherwise optimize the account's investment profile; strategies that seek to manage volatility by increasing or decreasing a portfolio's effective exposure to a particular market or asset class; and strategies that take into account a client's tax, regulatory, business and industry requirements. Customized strategies are developed in close consultation with a client and its advisors. Portfolio management is generally provided on a discretionary basis.

Given the multiple potential services that NAM may provide to a client (and/or to a Fund in which a client may invest), conflicts of interest may arise. When using multiple NAM (or affiliate) services and products (e.g., consulting and portfolio management), a client should be aware of the conflicts that may arise, consult its own advisor(s), and satisfy itself that the arrangement is appropriate and in its continuing best interests.

Investment Restrictions

Institutional Separate Accounts and SMA Accounts

NAM's discretionary authority over an account is generally subject to directions, guidelines and limitations imposed by the client and, in the case of an SMA Account, the program sponsor. NAM will endeavor to follow reasonable directions, investment guidelines and limitations. Although NAM seeks to provide individualized investment advice to its discretionary client accounts, NAM will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with NAM's investment approach (including restrictions affecting more than a stated percentage of the account), and reserves the right to decline to accept, or terminate, client accounts with such restrictions.

Funds and Other Pooled Investment Vehicles

When NAM exercises discretionary authority with respect to a Fund's assets, it seeks to do so in a manner that is consistent with the Fund's investment objectives, strategies and limitations as disclosed in the Fund's prospectus or other applicable disclosure documents. NAM's discretion is also subject to the oversight of the Fund's governing body (e.g., board of directors) and also may be subject to the oversight of another investment adviser.

Wrap Fee Programs

The services provided by NAM to wrap fee program accounts may differ from the services provided to its Institutional Separate Accounts and other clients who do not participate in wrap fee programs. The investment strategies NAM uses in managing wrap fee program accounts are similar to those offered to its other clients, but may involve fewer securities holdings due to smaller account sizes, and less ability for customization. There may be limitations on the ability of SMA Accounts to invest in equity initial public offerings and non-U.S. ordinary securities. In many cases there are limitations on the ability of NAM in the ordinary course to communicate directly, on its own initiative, with program clients, without going through the program sponsor. Also, strategies, restrictions and guidelines may vary among programs.

In consideration for providing investment management services to wrap fee program accounts, NAM receives a portion of the wrap fee paid by wrap fee program participants to the program sponsor. For dual contract accounts, NAM generally receives its fees directly from the client.

In wrap programs that permit NAM to trade away from the wrap sponsor or its broker-dealer affiliate when NAM believes such sponsor or its affiliate cannot provide best price or execution under the circumstances, NAM will trade away from such parties. NAM generally trades away from the SMA program sponsor for municipal bond and other fixed income strategies, and in such cases, clients generally incur transaction and other costs and fees in addition to the wrap fee. These fees are generally in the form of mark-ups and mark-downs earned by the relevant

securities dealer (not NAM or a Nuveen affiliate) in addition to the wrap fee payable to the wrap program sponsor. Wrap fee clients in certain international and global strategies will incur fees and costs associated with the purchase of non-U.S. securities in ordinary form ("ORDs") and conversion of such ordinary shares into American Depositary Receipts ("ADRs"), in addition to the wrap fee payable to the wrap program sponsor.

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 and if NAM were free to negotiate dealer spreads or other costs. 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. Some broker-dealers serving as custodian charge fees for settling transactions executed through other broker-dealers.

SMA Account clients should review all materials relating to their program (including the program brochure) regarding the program's terms, conditions and fees, and consider the advantages, disadvantages and overall appropriateness of the program in light of the client's particular circumstances.

Assets Under Management

As of December 31, 2015, NAM's total assets under management (AUM) were approximately \$142.1 billion (comprised of approximately \$141.3 billion in discretionary assets and \$859 million in non-discretionary and model-based program assets). Total AUM excludes assets subject to certain consulting services and a single fixed-fee arrangement for model portfolio services and research reports.

ITEM 5 FEES AND COMPENSATION

NAM's advisory fees are generally based on a percentage of assets under its management. For eligible client accounts, performance-based fees also may be negotiated in appropriate circumstances. Other than with respect to a single pre-existing arrangement for model portfolio services and research reports, NAM generally does not charge fixed fees except in special situations.

Fees and services may be negotiable based on factors such as client type, asset class, pre-existing relationship, portfolio complexity and account size or other special circumstances or requirements. Some existing clients pay higher or lower fees than new clients. Related accounts may be aggregated for fee calculation purposes in certain circumstances.

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

Advisory Fees for Institutional Separate Accounts

Advisory fees for Institutional Separate Accounts are generally determined based upon the following schedules. However, fees for certain strategies or accounts fall outside of the stated ranges, or are negotiated.

Assets Under Management	Annual Fee Schedule
Equity Strategies	
Large Cap Equity Series	
<u>Large Cap Core</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Large Cap Value</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million

Assets Under Management	Annual Fee Schedule
<u>Large Cap Growth</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Stable Growth</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Core Dividend</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Concentrated</u>	
First \$25 million	0.75%
Next \$25 million	0.65%
Next \$50 million	0.55%
Next \$150 million	0.50%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million

Assets Under Management	Annual Fee Schedule
<u>Large Cap Core Plus</u>	
First \$25 million	1.00%
Next \$25 million	0.90%
Next \$50 million	0.85%
Next \$150 million	0.80%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Equity Market Neutral</u>	
First \$25 million	1.20%
Next \$25 million	1.10%
Next \$50 million	1.05%
Next \$150 million	1.00%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Equity Long/Short</u>	
First \$25 million	1.20%
Next \$25 million	1.10%
Next \$50 million	1.05%
Next \$150 million	1.00%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
Select Equity Series	
<u>Dividend Value</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million

Assets Under Management	Annual Fee Schedule
<u>Large Cap Growth Opportunities</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Large Cap Select</u>	
First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Mid Cap Growth Opportunities</u>	
First \$25 million	0.75%
Next \$25 million	0.65%
Next \$50 million	0.55%
Next \$150 million	0.50%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million
<u>Mid Cap Value</u>	
First \$25 million	0.75%
Next \$25 million	0.65%
Next \$50 million	0.55%
Next \$150 million	0.50%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$5 million

Assets Under Management		Annual Fee Schedule	
<u>Small Cap</u>			
First \$25 million		0.95%	
Next \$25 million		0.80%	
Next \$50 million		0.70%	
Next \$150 million		0.65%	
Over \$250 million		Negotiated	
New Client Minimum Account Size		\$5 million	
Real Assets Strategies:			
<u>Real Estate Securities</u>			
First \$25 million		0.70%	
Next \$25 million		0.65%	
Next \$50 million		0.50%	
Next \$150 million		0.45%	
Over \$250 million		Negotiated	
New Client Minimum Account Size		\$10 million	
<u>Real Asset Income</u>			
First \$50 million		0.80%	
Next \$50 million		0.75%	
Next \$150 million		0.65%	
Over \$250 million		Negotiated	
New Client Minimum Account Size		\$25 million	
<u>Global Infrastructure</u>			
First \$50 million		1.00%	
Next \$50 million		0.85%	
Next \$150 million		0.70%	
Over \$250 million		Negotiated	
New Client Minimum Account Size		\$20 million	

Assets Under Management		Annual Fee Schedule	
Index			
First \$25 million		0.15%	
Next \$25 million		0.11%	
Next \$50 million		0.09%	
Next \$150 million		0.05%	
Over \$250 million		Negotiated	
New Client Minimum Account Size		\$25 million	
Enhanced Equity Index			
First \$50 million		0.30%	
Next \$50 million		0.25%	
Next \$150 million		0.20%	
Over \$250 million		Negotiated	
New Client Minimum Account Size		\$5 million	
International and Global Growth strategies			
First \$25 million		0.85%	
Next \$25 million		0.75%	
Over \$50 million		0.65%	
New Client Minimum Account Size		\$25 million	
Taxable Fixed Income Strategies			
Core			
First \$50 million		0.30%	
Next \$50 million		0.25%	
Next \$150 million		0.17%	
Next \$250 million		0.15%	
Next \$500 million		0.12%	
Over \$1 billion		Negotiated	
New Client Minimum Account Size		\$25 million	

Assets Under Management	Annual Fee Schedule
<u>Core Plus</u>	
First \$50 million	0.35%
Next \$50 million	0.25%
Next \$150 million	0.20%
Next \$250 million	0.17%
Next \$500 million	0.15%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$50 million
<u>Multi Sector Fixed Income</u>	
First \$50 million	0.40%
Next \$50 million	0.35%
Next \$150 million	0.30%
Next \$250 million	0.25%
Next \$500 million	0.20%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$50 million
<u>Global Total Return</u>	
First \$50 million	0.40%
Next \$50 million	0.35%
Next \$150 million	0.30%
Next \$250 million	0.25%
Next \$500 million	0.20%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$50 million

Assets Under Management	Annual Fee Schedule
<u>Emerging Markets Debt</u>	
First \$50 million	0.60%
Next \$50 million	0.55%
Next \$150 million	0.50%
Next \$250 million	0.45%
Next \$500 million	0.40%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$50 million
<u>Short Duration</u>	
First \$50 million	0.25%
Next \$50 million	0.20%
Next \$150 million	0.15%
Next \$250 million	0.12%
Next \$500 million	0.10%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$25 million
<u>Intermediate and Long Duration</u>	
First \$50 million	0.30%
Next \$50 million	0.22%
Next \$150 million	0.20%
Next \$250 million	0.18%
Next \$500 million	0.15%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$25 million
<u>Inflation Protected</u>	
First \$50 million	0.15%
Next \$50 million	0.10%
Next \$100 million	0.08%
Next \$200 million	Negotiated
New Client Minimum Account Size	\$25 million

Assets Under Management	Annual Fee Schedule
<u>High Yield</u>	
First \$50 million	0.50%
Next \$50 million	0.45%
Next \$150 million	0.40%
Next \$250 million	0.37%
Next \$500 million	0.35%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$25 million
<u>Preferred Securities</u>	
First \$50 million	0.45%
Over \$50 million	0.40%
New Client Minimum Account Size	\$50 million
Municipal Bond Fixed Income Strategies	
<u>Municipal Bond Investment Grade</u>	
First \$50 million	0.30%
Next \$50 million	0.25%
Next \$150 million	0.20%
Next \$250 million	0.18%
Next \$500 million	0.15%
Over \$1 billion	Negotiated
New Client Minimum Account Size	\$10 million
<u>Municipal Bond High Yield</u>	
All Assets	0.60%
New Client Minimum Account Size	\$50 million
Asset Allocation Strategies	
<u>Tactical Market Opportunities Strategy</u>	
First \$50 million	0.95%
Next \$50 million	0.90%
Next \$150 million	0.75%
Over \$250 million	Negotiated
New Client Minimum Account Size	\$10 million

Assets Under Management	Annual Fee Schedule
<u>Intelligent Risk Portfolio</u>	
First \$50 million	0.45%
Next \$50 million	0.40%
Next \$100 million	0.35%
Over \$200 million	Negotiated
New Client Minimum Account Size	\$10 million
Solution Strategies:	
<u>Managed Volatility</u>	
First \$25 million	0.30%
Next \$75 million	0.25%
Next \$400 million	0.20%
Next \$1.5 billion	0.15%
Over \$ 2 billion	Negotiated
New Client Minimum Account Size	\$5 million

Advisory Fees for Retail Separate Accounts

Advisory fees for Retail Separate Accounts are generally determined based upon the following schedules. However, fees for certain strategies or accounts fall outside of the stated ranges, or are negotiated.

Assets Under Management	Annual Fee Schedule
<u>Municipal Bond Investment Grade</u>	
First \$2 million	0.50%
Next \$2 million	0.40%
Next \$6 million	0.30%
Over \$10 million	0.25%
New Client Minimum Account Size	\$1 million
<u>Municipal Bond Ladder</u>	
All assets	0.15%
New Client Minimum Account Size	\$1 million

Assets Under Management	Annual Fee Schedule
<u>Preferred Securities</u>	
First \$1 million	0.50%
Over \$1 million	0.45%
New Client Minimum Account Size	\$1 million
<u>Concentrated Preferred Securities</u>	
First \$1 million	0.55%
Over \$1 million	0.50%
New Client Minimum Account Size	\$1 million
<u>Core Fixed Income</u>	
First \$25 million	0.30%
Next \$25 million	0.25%
Over \$50 million	Negotiated
New Client Minimum Account Size	\$25 million
<u>Taxable Bond Ladder</u>	
All assets	0.15%
New Client Minimum Account Size	\$1 million
<u>Custom Fixed Income Solutions</u>	
First \$5 million	0.35%
Next \$5 million	0.30%
Over \$10 million	0.25%
New Client Minimum Account Size	\$1 million
<u>Income Opportunities</u>	
First \$2 million	0.50%
Next \$2 million	0.40%
Next \$6 million	0.30%
Over \$10 million	0.25%
New Client Minimum Account Size	\$1 million

Assets Under Management	Annual Fee Schedule
<u>Sector Series**</u>	
First \$1 million	1.00%
Next \$9 million	0.85%
Next \$15 million	0.75%
Next \$25 million	0.65%
Over \$50 million	0.50%
New Client Minimum Account Size	\$1 million

**** The Sector Series strategies will be offered effective on or about August 15, 2016.**

Breakpoints are generally applied on a blended basis. NAM may impose minimum annual fees for Institutional Separate Accounts as negotiated. Minimum account sizes can be waived in NAM's discretion.

Advisory Fees for SMA Accounts Offered through Wrap Fee and Dual Contract Programs

For SMA Accounts offered through wrap fee programs, NAM's fee is determined by agreement between the sponsor and NAM, and may be up to 0.40%. Total annual fees charged by wrap sponsors, which include NAM's fee, are generally up to 1.25% (in the case of fixed income) and 3.00% (in the case of equity) annually of the client's assets in the wrap program. For dual contract accounts, NAM and sponsors each charge their fees separately. Fees charged to dual contract accounts are individually contracted between NAM and the client.

Advisory Fees for Funds

Fees for advisory services provided to Funds are separately negotiated between NAM and the third-party or affiliated investment adviser and/or Fund. Fees may be based on a percentage of assets under management and/or performance-based.

Advisory Fees for Institutional Solutions Group Services

Fees for Institutional Solutions Group Services are negotiated based on the particular services.

Advisory Fees for Non-Discretionary Accounts and Model Portfolio Advice

These services are furnished for a negotiated fee paid by the purchaser.

Additional Fee Calculation Information

NAM's fees are generally payable quarterly or at such other times as agreed upon by the parties involved based upon the market value of assets in the account on the date of valuation, the average of the market value of the assets in the account during the billing period, or the calendar quarter-end market value. For Institutional Separate Accounts and dual contract SMA Accounts, payment arrangements, including the timing (in advance or in arrears) and billing procedures (which may include sending an invoice and/or deduction of fees), will be agreed upon by NAM and the client. In the case of wrap fee SMA Accounts and certain dual contract SMA Accounts, payment methods generally will be determined by the program sponsor. Wrap program sponsors typically collect the total wrap fee and remit NAM's fee to NAM. Certain dual contract program sponsors collect and remit NAM's fee to NAM separately.

Generally, if an account is opened or closed during a billing period, the advisory fees are prorated for that portion of the billing period during which the account was open.

Accounts of NAM's employees, affiliate employees, former employees, or their family members may be managed by NAM without an advisory fee.

See also Item 15.

Other Fees and Expenses

On behalf of its Institutional Separate Account, SMA Account, and certain Fund clients, NAM may invest in closed-end funds, open-end funds, ETFs, exchange traded notes ("ETNs"), and other pooled investment vehicles. When NAM invests client assets in such securities, 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 or vehicle in addition to NAM's investment advisory fees.

Additionally, NAM may invest client assets or recommend that clients invest in shares or other interests in certain Funds advised or administered by NAM or its affiliates. To the extent that NAM invests client assets in an affiliated Fund, NAM may, depending on the arrangement with the program sponsor or Institutional Separate Account client and any legal requirements, waive investment advisory fees on the assets invested in such affiliated Fund, credit the account for the fees paid by the affiliated Fund to NAM's related persons, avoid or limit the payment of duplicative fees to NAM and its related persons through other means, or charge fees both at the affiliated Fund level and separate account level.

NAM's clients generally will incur brokerage and other transaction costs either separately or through a bundled fee. In wrap programs that permit NAM to trade away from the wrap sponsor or its broker-dealer affiliate, when NAM believes such sponsor or its affiliate cannot provide best price or execution under the circumstances, NAM will generally trade away from such parties. In such cases, clients generally incur transaction and other costs and fees in addition to the wrap fee. Program clients should review all materials available from a third party sponsor concerning the program, sponsor and the program's terms, conditions and fees. Additional information about NAM's brokerage practices and brokerage costs can be found under Item 12.

Clients in certain international and global strategies will incur fees and costs associated with the purchase of non-U.S. securities in ordinary form ("ORDs") and conversion of such ordinary shares into ADRs.

From time to time, a client may instruct NAM to suspend investment management services for their accounts for a period of time. Such accounts will generally be unmanaged during such time. NAM generally charges standard fees for all or a portion of such time to reflect the administrative costs associated with implementing such instructions.

A client or NAM generally may terminate its agreement at any time by providing thirty (30) days written notice. To the extent a client's investment management agreement for an Institutional Separate Account or dual contract SMA account provides that NAM'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 wrap fee program agreements that provide that NAM's fees are to be paid in advance, NAM will refund any prepaid, but unearned fees to the program sponsor. The 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. For wrap accounts, termination provisions vary by wrap program.

NAM supervised persons and related sales personnel typically market NAM's investment capabilities to various prospects and intermediaries. NAM's investment capabilities are available directly through provision of investment advisory services (through Institutional Separate Accounts and SMA Accounts), or indirectly by investment in Nuveen Funds advised or subadvised by NAM. Certain NAM supervised persons and related sales personnel will be internally compensated for successful marketing or selling activities with respect to NAM's investment advisory services. Prospective clients are encouraged to consult their own financial,

tax and legal advisors regarding any investment decision regarding NAM's investment advisory services.

Certain NAM supervised persons and related sales personnel are also associated with NAM's affiliated broker-dealer, Nuveen Securities, LLC ("Nuveen Securities"), and in that capacity engage in marketing or selling activities with respect to shares or interests in Nuveen Funds advised or subadvised by NAM. See Item 10. Certain NAM supervised persons and related sales personnel will be internally compensated for successful marketing or selling activities with respect to shares or interests in Nuveen Funds advised or subadvised by NAM.

Investors in Nuveen Funds advised or subadvised by NAM will not be advisory clients of NAM, and NAM will not provide investment advice or recommendations with respect to the merits and suitability of the particular investment and investment decision for the particular investor. Investors in Nuveen Funds are encouraged to consult their own financial, tax and legal advisors regarding such decisions. Nuveen Fund shares are available through many unaffiliated broker-dealers and other financial services firms.

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

NAM offers investment advisory services to multiple accounts with different investment objectives, guidelines and policies, and with different fee structures.

NAM may receive both asset-based fees and performance-based fees as compensation for its advisory services. Performance-based fees may create an incentive for NAM 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, NAM's compensation may be greater 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. NAM's compliance department reviews accounts with performance-based fees to detect evidence or patterns of preferential treatment relative to comparable accounts without performance-based fees.

ITEM 7 TYPES OF CLIENTS

NAM provides investment advisory and sub-advisory services to a broad range of individual and institutional clients, including Funds. Prior to investing in any such Funds, an investor should review the relevant offering materials for important information concerning the objectives, policies, strategies, risks, fees and other important information.

Institutional Separate Accounts

For Institutional Separate Accounts, NAM generally requires a minimum account size generally ranging from \$5 to \$25 million depending on the strategy. Please see the fee schedule in Item 5 above for specific minimum investment amounts. NAM may waive these minimums based on client type, asset class, pre-existing relationship with client and other factors. For certain accounts, a negotiated minimum annual fee applies.

SMA Accounts

For SMA Accounts, NAM typically requires a minimum account of \$100,000 for equity and asset allocation strategies and \$250,000 for fixed income strategies, although the specific minimum account size varies by program. NAM may waive these minimums based on client type, asset class, pre-existing relationship with client and other factors. For certain accounts, a negotiated minimum annual fee applies.

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

NAM provides its services in a broad array of fixed income, equity and other investment strategies, including in the broad categories of municipal bonds, taxable fixed income, global and international, value, growth and core, real assets, asset allocation, quantitative/enhanced, index, and non-traditional strategies. Depending on the particular strategy, NAM invests in a variety of securities and other investments, including in certain cases derivatives, and employs various methods of analysis and investment techniques. Certain strategies include an allocation to funds that may be affiliated with NAM or its affiliates. Certain strategies include elements of other strategies, and are customized to meet the individualized needs of NAM's clients.

General descriptions of NAM's investment strategies are included below. These descriptions are not intended to serve as applicable account guidelines. Except in limited instances, NAM's strategies are not generally intended to provide a complete investment program for a client, and clients are responsible for appropriately diversifying their assets as appropriate.

NAM reserves the right to limit the availability of any particular strategy at any given time based on factors including asset class capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. In addition, NAM develops other investment strategies from time to time and manages portfolios according to a client's specific investment guidelines, and thus, strategies may vary by client account. Certain strategies are available only in certain channels or through investing in Funds. For Funds, the descriptions of the investment strategies below are qualified in their entirety by the information included in a Fund's prospectus or other official offering documentation. Prior to investing in any Fund, an investor should review the relevant prospectus or offering memorandum for important information.

STRATEGIES

Equity

Large Cap portfolios are invested primarily in common stocks of large-capitalization U.S. and/or non-U.S. companies, including emerging markets issuers. Large Cap portfolios may reflect growth, value or core (investing in both growth and value stocks) investment approaches.

Mid Cap portfolios are invested primarily in common stocks of mid-capitalization U.S. and/or non-U.S. companies, including emerging markets issuers. Mid Cap portfolios may reflect growth, value or core (investing in both growth and value stocks) investment approaches.

Small Cap portfolios are invested primarily in common stocks of small-capitalization U.S. and/or non-U.S. companies, including emerging markets issuers. Small Cap portfolios may reflect growth, value or core (investing in both growth and value stocks) investment approaches.

All Cap or Multi-Cap portfolios are primarily invested in equity securities of U.S. and/or non-U.S. companies, including emerging markets issuers, of any market capitalization.

Dividend-oriented portfolios are invested primarily in equity securities of U.S. and/or non-U.S. companies, including emerging markets issuers, with an emphasis on dividends. Dividend-oriented portfolios may reflect growth, value or core (investing in both growth and value stocks), and/or U.S., global and international, investment approaches.

Global Infrastructure portfolios are invested primarily in U.S. and non-U.S. (including emerging markets) equity securities of infrastructure-related companies. Infrastructure-related companies include companies involved in the ownership, development, construction, renovation, financing or operation of infrastructure assets, or that provide the services and raw materials necessary for the construction and maintenance of infrastructure assets. Infrastructure assets are the physical structures and networks upon which the operation, growth and development of a community depends, which includes water, sewer, and energy utilities; transportation and communication

networks; health care facilities, government accommodations and other public service facilities; and shipping, timber, steel, alternative energy, and other resources and services necessary for the construction and maintenance of these physical structures and networks.

Covered Call strategies invest in various passive and active underlying equity strategies, generally benchmarked to a particular index, and employ, to varying degrees, option overwrite strategies that seek to enhance risk-adjusted performance over time.

Index portfolios generally invest a substantial amount of their assets in common stocks included in a particular broad-based securities index, such as a large cap, mid cap or small cap index. A portfolio generally does not hold all of the stocks included in a particular index, or hold them in the same weighting as the index.

Enhanced Equity Index/Large Cap Core Quantitative portfolios follow an actively managed strategy that uses a proprietary quantitative process to invest in common stocks.

International portfolios invest primarily in non-U.S. issuers that trade in U.S. or non-U.S. markets (including emerging markets). International portfolios may reflect growth, value and core investment approaches. Certain strategies gain international investment exposure by investing in American Depositary Receipts ("ADR"s) and similar depositary receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. Accounts of large institutional clients may hold ordinary non-U.S. securities (sometimes referred to as "ORD") directly (instead of or in addition to ADRs).

Global portfolios invest primarily in U.S. and non-U.S. issuers (that trade in U.S. or non-U.S. markets) (including emerging markets). Global portfolios may reflect growth, value and core investment approaches. Certain strategies gain international investment exposure by investing in ADRs and similar depositary receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. Accounts of large institutional clients may hold ordinary non-U.S. securities (sometimes referred to as "ORD") directly (instead of or in addition to ADRs).

Real Estate portfolios are invested primarily in securities of U.S. and non-U.S. companies, including emerging markets issuers, in the real estate industry.

Real Asset Income portfolios invest primarily in infrastructure and real estate related securities (i.e., real assets) across the capital structure. Securities may include U.S. and non-U.S. (including emerging markets) equities and debt (including below investment grade debt).

Concentrated portfolios invest in a relatively small number of securities compared with non-concentrated portfolios, thus providing greater exposure to each such security. Concentrated portfolios may relate to different asset classes (e.g., equities, preferred securities, etc.) and focus on companies of a particular capitalization (e.g., large cap, mid cap, small cap) and reflect growth, value or core (investing in both growth and value stocks) investment approaches.

Long/Short portfolios establish long and short positions, typically in stocks of U.S. companies, with an objective of long-term capital appreciation. Certain long/short portfolios seek absolute returns independent of market direction (market neutral) and are not intended to outperform stocks and bonds during strong market rallies.

Additional Information about Equity Strategies. Equity securities in which the portfolios invest may include common and preferred stocks, publicly-traded units of master limited partnerships ("MLPs"), real estate investment trusts ("REITs"), ETFs and other investment companies, convertible preferred stocks and debt securities that are convertible into common stocks. Each of the equity portfolios may pursue other strategies or invest in other instruments described in this Brochure.

Certain of the above equity securities portfolios may use derivatives, including options, futures contracts, options on futures contracts, and forward non-U.S. currency contracts, to manage

various types of risk, enhance a portfolio'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, 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 a portfolio's return, with the intent of improving a portfolio'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. The portfolios may also be invested in warrants and securities convertible or exchangeable for equity securities such as convertible bonds.

A portion of a portfolio's assets may be invested in non-dollar denominated equity securities of non-U.S. issuers. In addition, a portion of a portfolio'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 invest primarily in ADRs and other depositary receipts.

Additionally, NAM may offer balanced strategies that combine equity and fixed income strategies described herein. Certain portfolios may invest in equity securities of companies of various market capitalizations, as determined by the investment adviser; certain portfolios may also pursue a strategy that focuses on undervalued companies. Certain portfolios exclude investments that are deemed inconsistent with environmental, social and governance ("ESG") guidelines.

Certain portfolios may invest a portion of their assets in preferred securities as well as debt 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).

The following strategies will be offered effective on or about August 15, 2016:

Sector Series Strategies

The Sector Series team employs a unique fundamental and quantitative investment strategy. In each of the Sector Series strategies, the Sector Series team seeks to maintain near sector neutrality (based on economic sectors as defined by a standard classification system such as the Global Industry Classification Standard (GICS)) to a given benchmark. The team then applies overweight and underweight decisions in the implementation of its industry allocations and individual stock concentrations. In selecting individual stocks, the team generally favors what it considers to be high quality companies, defined as those with some or all of the following characteristics: attractive balance sheets, a cash cushion or margin of safety, increasing cash flows and low, manageable levels of debt. Through this process, the team seeks to manage a portfolio that is well balanced between value and growth, has lower risk, and that we believe has the potential to deliver more consistent performance over time.

The Sector Series team manages equity strategies in four main groups: U.S. Large Capitalization, U.S. Small to Medium Capitalization, Global and International, and Dividend or Income-Optimized Equities.

Sector Small Cap is a core/relative value equity strategy focused on U.S. small cap companies which can invest up to 10% in ADRs. This strategy seeks to invest in securities with lower than market P/E multiples, with attractive valuations and a strong return potential. Positions are dynamically weighted and sector weights are diversified.

Sector Small/Mid Cap is an equity strategy that focuses on high quality small-to-mid cap stocks with earnings growth potential and attractive valuations. The strategy seeks to invest in companies with double digit earnings growth, attractive valuations, and adequate liquidity. The strategy can invest up to 10% in ADRs. Securities are dynamically weighted in the portfolio. This strategy attempts to be diversified by sector with near sector neutrality with over and under weights at the industry and security level.

Sector Dividend Select is a high dividend focused global equity strategy that typically invests in large cap high quality stocks and ADRs and may invest in ETFs, mutual funds and other registered investment vehicles. It seeks to invest in both U.S. and non-U.S. based companies that exhibit high dividend yield combined with strong fundamentals including solid earnings and dividend growth, attractive valuations, strong balance sheets, and adequate liquidity. The strategy seeks to invest in companies that produce above average dividends combined with strong financials. Securities are dynamically weighted and the strategy seeks to be diversified by sector and country.

Sector Dividend Preferred is a specialty equity-oriented income strategy. The primary objective is to maximize yield/income with a secondary objective of modest growth. The strategy typically invests in high quality and high yielding common stocks and ADRs, as well as other attractively valued high yielding equity-oriented securities including but not limited to preferred stocks, high yield and floating rate bond ETFs, REITs, MLPs, and open-end and closed-end funds. This strategy is a defensive equity strategy attempting to produce a yield above its blended benchmark of 50% MSCI World Index and 50% Barclays Capital 1-3 year Bond Index.

Sector International Equity (ADR) is an equity strategy that invests in U.S. exchange listed common stocks and ADRs of companies with their primary base of business located outside the U.S. The strategy typically seeks to invest in securities that exhibit strong relative earnings growth, attractive valuations, and adequate liquidity. It will invest in both developed countries and also countries considered to be emerging markets. The strategy seeks to be diversified by country and by sector.

Sector Global Opportunities (ADR) is similar to the Sector International Equity (ADR) strategy except it will also invest in U.S. based companies. It invests in both developed and emerging markets. This strategy balances the allocation between U.S. and non-U.S. companies as well as between large cap and small to mid-cap or emerging markets. The strategy seeks to be diversified by country and by sector.

Sector Emerging Markets (ADR) is an emerging market-focused investment strategy. This strategy seeks to invest in high quality companies with strong relative earnings growth, attractive valuations, and adequate liquidity in emerging market countries. The strategy typically invests in mid-cap and large-cap companies, and seeks to be diversified by country and by sector.

Sector Emerging Markets Dividend (ADR) is an emerging market income-focused investment strategy. This strategy seeks to invest in high quality companies with strong relative earnings growth, attractive valuations, adequate liquidity in emerging market countries and attractive dividends. The strategy typically invests in mid-cap and large-cap companies, and seeks to be diversified by country and by sector.

In addition to the forgoing strategies, certain Sector Series accounts invest in a fixed income strategy that includes investment in an index fund. The particular fund is selected based on the needs of, and/or in consultation with, the client.

Fixed Income

Municipal Fixed Income portfolios invest primarily in municipal bonds. There are a number of different strategies of varying maturity, duration and quality.

For retail SMA municipal fixed income accounts, the following descriptions typically apply:

	Short Term Municipal Bond	Limited Maturity Municipal Bond	Intermediate Term Municipal Bond	Long Term Municipal Bond	Municipal Bond Total Return
Average Duration Range	+/- 40% of benchmark	+/- 20% of benchmark	+/- 20% of benchmark	+/- 40% of benchmark	+/- 40% of benchmark
Average Duration Target	1 – 3 years	2 – 5 years	5 – 6.5 years	7 – 11 years	5 – 9 years
Maturity Range	0 – 5 years	1 – 10 years	1 – 20 years (1-16 years for High Quality Intermediate Term)	10 – 30+ years	1 – 30+ years
Average Maturity Target	2 – 4 years	3 – 7 years	7 – 10 years	17 – 22 years	10 – 20 years

Certain strategies invest primarily in investment-grade municipal securities and other strategies invest a small or large portion of their assets in medium- to low-quality municipal securities rated below investment grade, which may include bonds considered high yield. A portion of a portfolio's assets may be invested in municipal securities that are unrated, but that NAM deems to be of comparable quality to a particular rating. Split rated securities are generally deemed to receive the higher rating. Certain portfolios that invest primarily in investment grade securities also invest a portion of their assets in below-investment grade securities (including high yield securities).

For SMA accounts, state-specific, state-preference and national-preference (sometimes referred to as “national with secondary state”) portfolios may be available, depending on the particular state, as well as national portfolios. State-specific portfolios generally hold bonds only from the client's state of residence or U.S. territories (e.g., Puerto Rico, U.S. Virgin Islands and Guam). State-preference portfolios hold bonds from the client's state of residence or U.S. territories, which together will generally account for a particular minimum of the portfolio (e.g., 50%) and out-of-state bonds will comprise the balance of the portfolio. A national preference portfolio is a national portfolio with a secondary preference to the client's state of residence according to supply, relative value and strategic guidelines. The secondary preference of a national preference portfolio will be filled opportunistically over time, if at all, with no assurance of the inclusion of any state of residence bonds. Prospective clients and their financial advisors should consider the advantages and disadvantages of municipal bond portfolios that are limited (exclusively or materially) to bonds of a certain state (and U.S. territories) (e.g., state-specific and state-preference) compared with portfolios that can invest in a broader universe of bonds. A broader universe of bonds generally provides a higher yield, increased diversification, less concentration, less state/U.S. territory-specific political and economic risk and a shorter invest-up period than portfolios subject to state-based limitations.

The foregoing discussion describes general features of SMA accounts but is not intended to serve as applicable account guidelines, which may vary materially by SMA program.

The municipal securities in which state-specific Municipal Fixed Income portfolios may invest include municipal bonds and notes, including general obligation and “revenue” bonds, as well as

other securities issued to finance and refinance public projects of a state, other related securities and derivatives creating exposure to municipal bonds, and municipal lease obligations, which are participations in lease obligations or installment purchase contract obligations of municipal authorities or entities.

For municipal ladder strategies, NAM will purchase individual bonds with differing maturities across the specified strategy maturity range. The bonds will typically be held to maturity in the absence of material credit events, contributions/withdrawals, calls and, for certain ladder strategies, sales pursuant to maturity parameters. The maturity range is typically segmented into 1-2 year ranges ("rungs") in which NAM will purchase bonds creating a "ladder" of individual bonds. Cash is typically generated in an account when bonds mature, are called, and for certain ladder strategies, are sold pursuant to maturity parameters. As cash is generated, NAM will generally purchase additional bonds in the longest available rung within the strategy's bond maturity range. Municipal ladder strategies may be customized for different maturity ranges as agreed upon with clients. The ladder strategy utilizes NAM's credit research and trading capabilities with respect to the selection and purchase (or sale) of individual bonds and ongoing monitoring, but as a ladder portfolio, does not include NAM's opportunistic and more active trading approach found in certain other NAM municipal bond strategies.

A portion of certain Institutional Separate Accounts and Funds invest in inverse floating rate securities (sometimes referred to as "inverse floaters") issued in tender option bond ("TOB") transactions. In a TOB transaction, one or more highly-rated municipal bonds are deposited into a special purpose trust that issues floating rate securities ("floaters") to outside parties and inverse floaters to long-term investors like the Fund. The floaters pay interest at a rate that is reset periodically (generally weekly) to reflect current short-term tax-exempt interest rates. Holders of the floaters have the right to tender such securities back to the TOB trust for par plus accrued interest (the "put option"), typically on seven days' notice. Holders of the floaters are paid from the proceeds of a successful remarketing of the floaters or by a liquidity provider in the event of a failed remarketing. The inverse floaters pay interest at a rate equal to (a) the interest accrued on the underlying bonds, minus (b) the sum of the interest payable on the floaters and fees payable in connection with the TOB. Thus, the interest payments on the inverse floaters will vary inversely with the short term rates paid on the floaters. Holders of the inverse floaters typically have the right to simultaneously (a) cause the holders of the floaters to tender those floaters to the TOB trust at par plus accrued interest and (b) purchase the municipal bonds from the TOB trust. Because holders of the floaters have the right to tender their securities to the TOB trust at par plus accrued interest, holders of the inverse floaters are exposed to all of the gains or losses on the underlying municipal bonds, despite the fact that their net cash investment is significantly less than the value of those bonds. This multiplies the positive or negative impact of the underlying bonds' price movements on the value of the inverse floaters, thereby creating effective leverage. The effective leverage created by any TOB transaction depends on the value of the securities deposited in the TOB trust relative to the value of the floaters it issues. The higher the percentage of the TOB trust's total value represented by the floaters, the greater the effective leverage. For example, if municipal bonds worth \$100 are deposited in a TOB trust and the TOB trust issues floaters worth \$75 and inverse floaters worth \$25, the TOB trust will have a leverage ratio of 3:1 and the inverse floaters will exhibit price movements at a rate that is four times that of the underlying bonds deposited into the trust. If that same TOB trust were to issue only \$50 of floaters, the leverage ratio would be 1:1 and the inverse floaters would exhibit price movements at a rate that is only two times that of the underlying bonds.

Municipal Fixed Income portfolios may invest in municipal securities that are secured by insurance (including, in certain portfolios, insurance that guarantees the timely payment of principal and interest), bank credit agreements, or escrow accounts. A certain portion of Municipal Fixed Income portfolios' assets may be invested in taxable bonds.

Inflation-protected municipal bond portfolios seek a current yield that compensates an investor for current inflation expectations, and also seek to mitigate the effect that subsequent increases in inflation may have on the purchasing power of the account by investing in inflation-linked

instruments, such as Consumer Price Index (“CPI”) swaps, in amounts sufficient to approximate the duration characteristics of the account’s underlying municipal bond portfolio.

Primarily for Institutional Separate Accounts and Funds, certain Municipal Fixed Income portfolios also utilize investment strategies designed to limit the risk of bond price fluctuations and to preserve capital. These strategies include the use of derivatives, such as financial futures contracts, swap contracts (including interest rate and credit default swaps), options on financial futures, options on swap contracts, or other derivatives whose prices, in an investment adviser’s opinion, correlate with the prices of the portfolios’ investments. A portfolio may also use derivatives strategies to shorten or lengthen the effective duration, and therefore the interest rate risk, of a portfolio, and to adjust other aspects of the portfolio’s risk/return profile. A portfolio may use derivatives if it is deemed more efficient from a transaction cost, total return or income standpoint than selling and/or investing in cash securities. A portfolio may also use derivatives to enhance return, hedge the risks of its investments in fixed income securities or as a substitute for a position in an underlying asset. Additionally, a portfolio may use derivatives to manage market, credit and yield curve risk, and to manage the effective maturity or duration of portfolio securities. The portion of a Municipal Fixed Income portfolio that is invested in derivatives at times may be substantial.

Certain investors select municipal bond strategies for interest that is exempt from U.S. federal income tax, and in some cases, state and/or local income tax. Changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer, among other events, could lead to declines in the value of municipal bonds and other unfavorable results. Clients are encouraged to consult their own financial, tax and legal advisors regarding the suitability of investing in municipal bond strategies.

Certain accounts invest in lower quality municipal bonds, including high yield bonds.

Municipal Fixed Income portfolios may pursue other strategies or invest in other instruments described in this Brochure.

Taxable Fixed Income portfolios invest primarily in debt securities according to the following strategies:

Short Term Fixed Income portfolios invest primarily in short term debt securities, which may include corporate debt, mortgage-backed, asset-backed, and U.S. government securities. A portfolio normally invests primarily in investment-grade securities.

Intermediate Term Fixed Income portfolios invest primarily in intermediate term investment-grade debt securities.

Core Fixed Income portfolios invest primarily in investment-grade debt securities, including U.S. government, mortgage-backed, asset-backed and corporate debt securities.

Core Plus Fixed Income portfolios invest primarily in corporate debt, U.S. government, mortgage-backed and asset-backed securities. A portfolio generally invests a majority of assets in investment-grade debt securities but also can invest more than 10% in non-investment-grade securities, emerging market debt, and non-dollar denominated debt, and foreign currencies.

Custom Fixed Income portfolios invest primarily in various fixed income asset classes that may include investment grade and high yield municipal bonds, investment grade and high yield corporate bonds, government and agency securities, non-U.S. fixed income securities, and preferred securities. The portfolio management team considers its view of the relative attractiveness of these asset classes to build a customized portfolio that seeks to achieve the strategy objective. Depending on account size and regulatory status, the portfolio may include individual securities and/or shares of mutual funds or ETFs (including mutual funds and ETFs advised by NAM and/or its affiliates).

U.S. Corporate Bond Ladder portfolios invest in individual U.S. Corporate Bond securities with differing maturities across the specified strategy maturity range that will typically be held to maturity or sold as they reach the portfolio's minimum maturity.

U.S. Government Bond Ladder portfolios invest in U.S. Treasury and U.S. Government Agency securities with differing maturities across the specified strategy maturity range that will typically be held to maturity or sold as they reach the portfolio's minimum maturity.

High Yield/High Income portfolios invest primarily in below investment grade debt and other income producing securities and may include U.S. and non-US securities.

Government portfolios invest in securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, including U.S. Treasuries, U.S. agency debt and mortgage-backed securities, and may also invest in global government debt securities, and debt-related derivative instruments.

Currency portfolios are primarily invested in fixed income securities that provide long and short exposure to selected non-U.S. currencies. The fixed income securities include, but are not limited to, non-U.S. sovereign debt securities, securities issued by the U.S. government agencies and instrumentalities and debt obligations of corporate issuers. Currency portfolios also may invest in instruments that provide exposure to selected non-U.S. currencies, including derivatives such as forward currency contracts, non-deliverable forward currency contracts, currency swap contracts and other currency derivatives deemed appropriate by NAM.

Inflation-Protected Securities portfolios invest primarily in inflation protected debt securities issued by U.S. and non-U.S. governments, their agencies and instrumentalities, domestic and non-U.S. corporations and/or derivatives. A portion of the portfolio's assets may also be invested in holdings that are not inflation protected.

Preferred Securities portfolios invest primarily in securities that generally pay fixed or adjustable rate distributions to investors and have preference over common stock in the payment of distributions and the liquidation of a company's assets, but are junior to most other forms of the company's debt.

Build America Bonds portfolios are invested primarily in Build America Bonds ("BABs"), which are bonds issued by state and local governments to finance capital projects such as public schools, roads, transportation infrastructure, bridges, ports and public buildings, among others, pursuant to the Build America Bonds program of the American Recovery & Reinvestment Act of 2009 (the "Act"). Issuance of BABs commenced in April 2009 and ended December 31, 2010. BABs portfolios may also use derivatives such as bond futures or interest rate swaps to hedge interest rate risks. Additionally, BABs portfolios may use leverage, including through investment in inverse floating rate securities and borrowings.

Mortgage and Mortgage Related Portfolios invest in mortgage-related assets that directly or indirectly represent a participation in or are secured by and payable from mortgage loans.

Multi-Sector Bond/Strategic Income portfolios invest primarily in U.S. government securities (issued or guaranteed by the U.S. government or its agencies or instrumentalities), residential and commercial mortgage-backed securities, asset-backed securities, domestic and non-U.S. corporate debt obligations, including obligations issued by special-purpose entities that are backed by corporate debt obligations, fixed and floating rate loans, including senior loans and secured and unsecured junior loans, debt obligations of non-U.S. governments, and/or municipal securities. Such securities may include below investment grade securities.

Global Total Return Bond portfolios invest primarily in sovereign, corporate, mortgage-backed and securitized debt from developed and emerging markets around the world. Securities may be U.S dollar denominated and denominated in foreign currencies.

U.S. Infrastructure Bond portfolios invest primarily in U.S. taxable and tax-exempt municipal bonds issued to finance the ownership, development, construction, renovation or operation of infrastructure assets, and debt securities issued by, or loans issued to, U.S. infrastructure-related companies, which include companies involved in the ownership, development, construction, renovation, financing or operation of infrastructure assets, or that provide the services and raw materials necessary for the construction and maintenance of infrastructure assets.

Emerging Market Debt portfolios invest primarily in debt issued by government or government-related entities that are located in emerging market countries, as well as debt issued by emerging market corporate entities.

Additional Information about Taxable Fixed Income Strategies. Taxable Fixed Income portfolios may invest in securities rated investment grade or below investment grade (“high yield”), and such investments for certain portfolios may be substantial. 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, including those located in emerging markets countries. 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, corporate debt obligations, municipal securities and inverse floating rate securities.

Taxable Fixed Income portfolios may invest in and employ derivatives including, but not limited to, futures; interest rate swaps, caps, collars and floors; index swaps, total return swaps, credit default swaps and non-U.S. currency swaps; forward currency contracts and non-deliverable forward currency contracts; options on futures, non-U.S. currencies and swaps (as well as selling call options and purchasing put options on individual or a basket of securities, as well as on swaps); and/or other derivatives. The derivatives in which the Taxable Fixed Income portfolios may invest may be exchange traded or traded over the counter. Taxable Fixed Income portfolios may also invest a portion of their total assets in dollar roll transactions.

A Taxable Fixed Income portfolio may utilize derivatives strategies to enhance return, hedge some of the risks of their investments in securities, as a substitute for a position in an underlying asset, to reduce transaction costs, to maintain full market exposure, to manage or generate cash flows, to manage the effective maturity and duration of portfolio securities, to increase yield or enhance returns, to create debt or non-U.S. currency exposure, to limit exposure to losses due to changes to non-U.S. currency exchange rates, to preserve capital, and/or other reasons to the extent permitted by client guidelines.

The portion of a Taxable Fixed Income portfolio that is invested in derivatives at times may be substantial.

Taxable Fixed Income portfolios may also invest a portion of their assets in cash and cash equivalents. Additionally, certain Taxable Fixed Income portfolios may invest in equity securities and warrants acquired in connection with investments made in certain fixed income securities.

Asset Allocation

Allocation portfolios invest primarily in other mutual funds, closed-end funds, ETFs, ETNs, and other pooled investment vehicles, including in some cases funds that are also advised by the portfolio’s investment adviser or its affiliates. The portfolios seek to achieve their respective objectives by investing in mutual funds that invest in certain types of securities. Certain allocation portfolios pursue the following strategies: aggressive growth and growth (investments in underlying funds that invest in equity securities, including small company and international company equity securities, with relatively little emphasis on underlying funds that invest in fixed income securities); balanced (investments in underlying funds that invest in both equity securities

and fixed income securities, but with a higher allocation to equity securities under most market conditions); and conservative (investments primarily in underlying funds that invest in fixed income securities, with limited exposure to investments in underlying funds that invest in equity securities). Other allocation portfolios invest in underlying funds according to a portfolio's risk profile (conservative, moderate, or growth).

Tactical Market Opportunities portfolios invest across the following asset classes: U.S., international and emerging markets equity securities; U.S., international and emerging markets debt securities, including high-yield debt securities; commodities; currencies and high quality, short-term debt securities and money market funds. Tactical Market Opportunities portfolios may pursue other strategies or invest in other instruments described in this Brochure. The strategy generally gains exposure to these asset classes by investing in derivative instruments, ETFs, U.S. Treasury obligations, certain non-U.S. government obligations and money market funds.

Intelligent Risk Portfolios® are designed to maintain a stable level of investment risk regardless of the level of volatility of the overall market. Intelligent Risk Portfolios may invest in ETFs, ETNs, options, futures, forwards, total return swaps, and other investment vehicles and derivatives, dependent upon the specified mandate and client restrictions. Asset classes may include, but are not limited to, U.S. large cap equity, U.S. small cap equity, international equity, emerging markets equity, short-term U.S. Treasuries, long-term U.S. Treasuries, U.S. investment grade credit, US aggregate bond, U.S. high yield credit, U.S. municipal bonds, U.S. Treasury Inflation-Protected Securities (TIPS), gold, diversified commodities, natural resources, and U.S. real estate. At any time an allocation may include some or all of these asset classes or others, and such allocation may vary over time. Target risk profiles include conservative, moderate, and growth.

Additional Information about Allocation and Tactical Market Opportunities Portfolios.

Allocation and Tactical Market Opportunities portfolios may pursue other strategies or invest in other instruments described in this Brochure. Portfolio assets may also be invested in ETFs, ETNs, closed-end investment companies and other pooled investment vehicles. A portfolio may utilize the following derivatives: options; futures contracts; options on futures contracts, including futures on equity and commodities indices; interest rate and currency futures; interest rate caps, collars, and floors; non-U.S. currency contracts; options on non-U.S. currencies; interest rate, total return, currency and credit default swaps, and options on the foregoing types of swap agreements. A portfolio may use these derivatives in an attempt to manage market risk, currency risk, credit risk and yield curve risk; to manage the effective maturity or duration of securities in the portfolio; or for speculative purposes in an effort to increase yield or to enhance returns.

Institutional Solutions Group strategies

NAM's Institutional Solutions Group services may include the development and implementation of a customized strategy designed to address a specific need with respect to the overall client portfolio. Customized strategies may include liability-driven investment (LDI) strategies which take into account liquidity, yield, and other factors in order to seek to meet certain expected liabilities or otherwise optimize the account's investment profile, or strategies that take into account a client's tax, regulatory, business and industry requirements. Such services may employ quantitative analysis and systems and other proprietary and third party data and systems; please see Technology Risk below. Customized strategies are developed in close consultation with an institutional client and its advisors. Depending on the particular services provided, the strategy may entail some or all of the risks described below.

Depending on the strategy, Institutional Solutions portfolios may invest in and employ a wide range of securities and derivatives. Such derivatives include, but are not limited to, futures; interest rate swaps, caps, collars and floors; index swaps, total return swaps, credit default swaps and non-U.S. currency swaps; forward currency contracts and non-deliverable forward currency contracts; options on futures, non-U.S. currencies and swaps (as well as selling call options and purchasing put options on individual or a basket of securities, as well as on swaps); and/or other derivatives. The derivatives in which the Institutional Solutions portfolios may invest may be

exchange traded or traded over the counter. Institutional Solutions portfolios may also invest a portion of their total assets in dollar roll transactions.

Given the multiple potential services that NAM may provide to a client (and/or to a Fund in which client may invest), conflicts of interest may arise. When using multiple NAM (or affiliate) services and products (e.g., consulting and portfolio management), a client should be aware of the conflicts that may arise, consult its own advisor(s), and satisfy itself that the arrangement is appropriate and in its continuing best interests.

Managed volatility strategies seek to manage volatility by increasing or decreasing a portfolio's effective exposure to a particular market (e.g., U.S. large cap equity market) typically through the use of futures contracts and/or total return swaps. The value of a long position in a futures contract or total return swap will move in the same direction as the price of the underlying index, thereby increasing exposure to the particular market and portfolio volatility, whereas the value of the short position will move in the opposite direction from the price of the underlying index, thereby decreasing market exposure and portfolio volatility. The strategy uses forecasting (e.g., daily volatility forecasts) to adjust the positions in futures contracts and swaps in an attempt to keep the portfolio's daily volatility within a particular range. Managed volatility strategies can be used as an overlay on an underlying portfolio advised by NAM or a third party investment adviser.

Alternative Strategies

Customized Derivative Overlay portfolios are designed to provide cash flow by shifting the probability distribution of investment outcomes. These portfolios invest in swap contracts, exchange-traded and over-the-counter (OTC) derivatives.

RISKS

As with any investment, loss of principal is a risk of investing in accordance with any of the investment strategies described above. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular portfolio. Rather, it is a general description of the nature and risks of NAM's principal strategies. The strategies described above also are subject to the risks listed below.

General Risks

The following risks are generally applicable to Equity, Fixed Income, Asset Allocation and other strategies. Such risks are in addition to the risks described more specifically with respect to Equity, Fixed Income, and Asset Allocation (including, as applicable, International) below.

Concentration Risk - A portfolio's concentration of investments in securities of issuers located in a particular industry or sector or a particular state, country or region subjects a portfolio to economic conditions that may adversely affect an industry, sector or geographic area. In addition, concentration of investments in issuers located in a particular geography subjects a portfolio to government policies within that geographic area. As a result, a portfolio will be more susceptible to factors that adversely affect issuers in a particular industry, sector or geographic area than a portfolio that does not have as great a concentration in such issuers. A concentrated portfolio may also invest a larger portion of its assets in the securities of a limited number of issuers and may be more sensitive to any single economic, business, political or regulatory occurrence than a less concentrated, more diversified portfolio.

Commodities Risk - Certain portfolios may invest in instruments providing exposure to commodities. Commodities markets historically have been extremely volatile, and the performance of securities that provide an exposure to those markets therefore also may be highly volatile. Commodities prices are affected by factors such as the cost of producing commodities, changes in consumer demand for commodities, the hedging and trading strategies of producers and consumers of commodities, speculative trading in commodities by commodity pools and

other market participants, disruptions in commodity supply, drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments. Suspensions or disruptions of market trading in the commodities markets and related futures markets may adversely affect the value of securities providing an exposure to the commodities markets.

The CFTC is continuing to propose, adopt, and implement regulations governing the trading of swaps and other derivatives that the CFTC regulates. Those regulations may impose recordkeeping, reporting, clearing, business conduct, and trade execution requirements, among other things. Compliance with these requirements, and other requirements that may be adopted in the future, may increase expenses or transaction costs for accounts. The regulation of commodity transactions in the United States is a rapidly changing area of law and is subject to ongoing modification by government, self-regulatory and judicial action. The effect of any future regulatory change is impossible to predict, but could be substantial and adverse.

Counterparty Risk - Changes in the credit quality of the companies that serve as counterparties with respect to derivatives or other transactions supported by another party's credit may affect the value of those instruments. Certain entities that have served as counterparties in the markets for these transactions have recently incurred significant losses and financial hardships including bankruptcy as a result of exposure to sub-prime mortgages and other lower quality credit investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. As a result, such hardships have reduced these entities' capital and called into question their continued ability to perform their obligations under such transactions. By using derivatives or other transactions, an account assumes the risk that its counterparties could experience similar financial hardships. In the event of insolvency of a counterparty, an account may sustain losses or be unable to liquidate a derivatives position. The counterparty risk for cleared derivatives is generally lower than for uncleared over-the-counter ("OTC") derivative transactions since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing house for performance of financial obligations. However, there can be no assurance that the clearing house, or its members, will satisfy its obligations to an account.

Derivatives Risk - The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. These risks include market risk, credit risk, management risk and liquidity risk, among others. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that changes in the value of a derivative held by an account will not correlate with the underlying instruments or the account's other investments.

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. Derivative instruments also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments' terms. These risks are heightened when the management team uses derivatives to enhance the 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 an account. In addition, when an account invests in certain derivative securities, including, but not limited to, when-issued securities, forward commitments, futures contracts and interest rate swaps, it is effectively leveraging its investments, which could result in exaggerated changes in the account's value and can result in losses that exceed the amount originally invested. The success of an account's derivatives strategies will depend on NAM's ability to assess and predict the impact of market or economic developments on the underlying asset, index or rate and the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

An account may also enter into OTC transactions in derivatives. Transactions in the OTC markets generally are conducted on a principal-to-principal basis. The terms and conditions of these

instruments generally are not standardized and tend to be more specialized or complex, and the instruments may be harder to value. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organized exchanges. In addition, certain derivative instruments and markets may not be liquid, which means an account may not be able to close out a derivatives transaction in a cost-efficient manner. Short positions in derivatives may involve greater risks than long positions, as the risk of loss on short positions is theoretically unlimited (unlike a long position, in which the risk of loss may be limited to the amount invested).

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

Writing (selling) covered call options on some or all of a portfolio's holdings subject the portfolio 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 a portfolio is not the same as an investment linked to the performance of the securities. By writing covered call options on the securities, a portfolio 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.

A portfolio may purchase index put options to protect against a significant market decline over a short period of time. When index put options become expensive relative to the protection afforded a portfolio, the portfolio may reduce the amount of index put options to a level that is less than the full value of the portfolio. If a put option purchased by the portfolio is not sold or exercised when it has remaining value, the portfolio will lose its entire investment in the index put option. Also, where an index put option is purchased to hedge all or part of the portfolio, the price of the index put option may move more or less than the value of the index.

Certain commodity-linked derivative instruments, repurchase agreements, swap agreements and other forms of financial instruments that involve counterparties subject an account to the risk that the counterparty could default on its obligations under the agreement, either through the counterparty's bankruptcy or failure to perform its obligations. In the event of default, an account could experience lengthy delays in recovering some or all of its assets or no recovery at all. A futures commission merchant ("FCM") may default on an obligation set forth in an agreement between an account and the FCM, including the FCM's obligation to return margin posted in connection with the account's futures contracts.

The Dodd-Frank Act requires the SEC, the CFTC, and other federal financial regulators to develop an expanded regulatory framework for derivatives. These new regulations are in the process of being implemented, and their ultimate impact is still unknown, but has the potential to increase the costs of using derivatives, may limit the availability of some forms of derivatives or NAM's or an account's ability to use derivatives in pursuit of its investment objectives, and may adversely affect the performance of some derivative instruments used.

Certain derivatives (e.g., futures, options on futures and swaps) may be considered commodities and subject to the risks and limitations associated with commodities. See *Commodities Risk*.

Non-Diversification Risk - A less diversified portfolio may invest a large portion of its assets in a fewer number of issuers than a diversified portfolio. If a relatively high percentage of a portfolio's assets may be invested in the securities of a limited number of issuers, a portfolio may be more susceptible to any single, economic, political or regulatory occurrence than a diversified portfolio.

Liquidity Risk - Liquidity risk exists when particular investments are difficult to purchase or sell. An account's investments in illiquid securities may reduce the returns of the account because it may be unable to sell the illiquid securities at an advantageous time or price. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, an account, due to potential limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain sector.

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

Issuer Risk - The risk that an issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the issuer's financial instruments over short or extended periods of time.

Downgrade Risk - The risk that securities are subsequently downgraded should NAM and/or rating agencies believe the issuer's business outlook or creditworthiness has deteriorated.

Market Risk - The market values of securities owned by the portfolios may decline, at times sharply and unpredictably. Market values of securities are affected by a number of different factors. For equity securities, market risk may be more significant in small and mid- capitalization companies. Market values of fixed income securities may be affected by changes in interest rates, the credit quality of issuers, and general economic and market conditions. These risks may be magnified for lower-quality fixed income securities.

Other Investment Companies Risk - When an account invests in investment companies (including ETFs), the client account bears both its advisory fees payable to NAM, and, indirectly, the expenses of the other investment companies. Furthermore, the account is exposed to the risks to which the other investment companies may be subject.

Quantitative Strategy Risk - When executing an investment strategy using various quantitative or investment models, securities or other financial instruments selected may perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, deficiencies in the inputs, design, operation and implementation of models, inadvertent systems and human errors, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.

Technology Risk - Certain strategies may rely on quantitative analysis and systems and other proprietary and third party data and systems to support investment decision making. Data imprecision, software or other technology malfunctions, programming inaccuracies and similar circumstances may impair the performance of these systems, which may negatively affect performance.

Cybersecurity Risk - Cybersecurity breaches may allow an unauthorized party to gain access to customer data, or proprietary information, or cause issuers and others to suffer data corruption or lose operational functionality. These breaches may result in private lawsuits and/or regulatory actions, and declines in an issuer's security price.

Additional Regulatory Risk - Recent instability in the financial markets has led the U.S. government to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. Most significantly, the U.S. government has enacted a broad-reaching new regulatory framework over the financial services industry and consumer credit

markets, the potential impact of which on the value of securities held by an account is unknown. Federal, state, and other governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the instruments in which an account invests, or the issuers of such instruments, in ways that are unforeseeable. Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear, and such a program may have positive or negative effects on the liquidity, valuation and performance of an account's holdings. Furthermore, volatile financial markets can expose accounts to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by accounts. The value of an account's holdings is also generally subject to the risk of future local, national, or global economic disturbances based on unknown weaknesses in the markets in which an account invests. In the event of such a disturbance, issuers of securities held by a portfolio may experience significant declines in the value of their assets and even cease operations, or may receive government assistance accompanied by increased restrictions on their business operations or other government intervention. In addition, it is not certain that the U.S. government will intervene in response to a future market disturbance and the effect of any such future intervention cannot be predicted. It is difficult for issuers to prepare for the impact of future financial downturns, although companies can seek to identify and manage future uncertainties through risk management programs.

Considerable additional regulatory attention has been focused on financial services companies and products. The Dodd-Frank Act regulates markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of the Dodd-Frank Act require rulemaking by the applicable regulators before becoming fully effective and the Dodd-Frank Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Dodd-Frank Act on a portfolio, and the markets in which portfolios may invest. The Dodd-Frank Act could result in a portfolio's investment strategy becoming non-viable or non-economic to implement. Therefore, the Dodd-Frank Act and regulations adopted pursuant to the Dodd-Frank Act could have a material adverse impact on the profit potential of an account.

Equity Risks

General 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 portfolio 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. In addition, growth stocks can be more volatile than other types of stocks. Value stocks can continue to be undervalued by the market for long periods of time. Additionally, dividends paid on common stocks can vary significantly over the short-term and long-term. 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 a portfolio invests will declare dividends in the future or that if declared they will remain at current levels or increase over time.

Equity Risks Related to Particular Strategies

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.

Small-Cap Stock Risk - Stocks of small-cap companies involve substantial risk. Small-cap companies may lack the management expertise, financial resources, product diversification, and competitive strengths of larger companies. Prices of small-cap stocks may be subject to more abrupt or erratic movements than stock prices of larger, more established companies or the market averages in general. In addition, the frequency and volume of their securities trading may be less than is typical of securities issued by 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. Stocks at the bottom end of the capitalization range of small-cap companies sometimes are referred to as “micro-cap” stocks. These stocks may be subject to extreme price volatility, as well as limited liquidity and limited research.

Mid-Cap Stock Risk - While stocks of mid-cap companies may be slightly less volatile than those of small-cap companies, they still involve substantial risk. 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.

Large-Cap Stock Risk - To the extent that an account invests in large capitalization stocks, the account may underperform accounts that invest primarily in stocks of smaller capitalization companies during periods when the stocks of such companies are in favor.

Growth Stock Risk - Growth stocks tend to be more volatile than certain other types of stocks and their prices usually fluctuate more dramatically than the overall stock market. A stock with growth characteristics can have sharp price declines due to decreases in current or expected earnings and may lack dividends that can help cushion its share price in a declining market.

Style-Specific Risk - Different types of stocks tend to shift in and out of favor depending on market and economic conditions. To the extent a portfolio emphasizes a value or growth style of investing, a portfolio runs the risk that undervalued companies' valuations will never improve or that growth companies may be more volatile than other types of investments, respectively.

Index Replication/Tracking Risk - The ability of a portfolio to replicate the performance of a broad-based index may be affected by, among other things, changes in securities markets, the manner in which performance of the index is calculated, changes in the composition of the index, the composition of the portfolio, the amount and timing of cash flows into and out of the portfolio, commissions, sales charges (if any), and other expenses.

Frequent Trading Risk - Certain strategies, including Global Growth, International Growth, Global Infrastructure, Dividend Value, Tactical, Equity Long/Short, Equity Market Neutral and Large Cap Core Plus strategies, among others, may trade securities frequently. Frequent trading of portfolio securities may produce capital gains, which are taxable to clients when distributed. Frequent trading may also increase the amount of commissions or mark-ups to broker-dealers that a portfolio pays when it buys and sells securities, which may detract from portfolio performance.

Initial Public Offering Risk - By virtue of its size and institutional nature, an adviser may have greater access to IPOs than individual investors. Most IPOs involve a high degree of risk not normally associated with offerings of more seasoned companies. Companies involved in IPOs generally have limited operating histories, and their prospects for future profitability are uncertain. These companies often are engaged in new and evolving businesses and are particularly vulnerable to competition and to changes in technology, markets and economic conditions. They may be dependent on certain key managers and third parties, need more personnel and other resources to manage growth and require significant additional capital. They may also be dependent on limited product lines and uncertain property rights, and may need certain regulatory approvals. Investors in IPOs can be affected by substantial dilution in the value of their shares, by sales of additional shares and by concentration of control in existing management and principal shareholders. Stock prices of IPOs can also be highly unstable, due to the absence of a prior public market, the small number of shares available for trading and limited investor information.

IPOs will frequently be sold within 12 months of purchase. This may result in increased short-term capital gains, which will be taxable as ordinary income.

Master Limited Partnership (MLP) Risk - An investment in an MLP exposes the account to the legal and tax risks associated with investing in partnerships. MLPs may have limited financial resources, their securities may be relatively illiquid, and they may be subject to more erratic price movements because of the underlying assets they hold.

Real Estate Investment Risk - The real estate industry has been subject to substantial fluctuations and declines on a local, regional and national basis in the past and may continue to be in the future. Also, the value of a REIT or similar investment can be hurt by economic downturns or by changes in real estate values, rents, property taxes, interest rates, tax treatment, regulations, or the legal structure of the REIT or similar investment.

Market Neutral Style Risk - A market neutral strategy may underperform compared to the general stock market or other equity strategies that do not utilize a market neutral strategy. For example, in a rising stock market, an account's short positions may significantly impact its overall performance and cause it to underperform traditional long-only equity accounts or to sustain losses, particularly in a sharply rising market. In addition, there is no guarantee that NAM will be able to construct a portfolio that limits the account's exposure to market movements. Further, market neutral strategies may involve frequent trading through rebalancing long and short positions in an attempt to maintain a market neutral position.

Infrastructure Sector Risk - Because infrastructure portfolios concentrate their investments in infrastructure-related securities, the portfolios have greater exposure to adverse economic, regulatory, political, legal, and other changes affecting the issuers of such securities. Infrastructure-related businesses are subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, service interruption and/or legal challenges due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. There is also the risk that corruption may negatively affect publicly-funded infrastructure projects, especially in emerging markets, resulting in delays and cost overruns.

Real Estate Securities and Sector Risk - Certain of the portfolios may invest in REITs. Equity REITs will be affected by changes in the value of and income 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. A real estate securities portfolio may invest a majority of its assets in REITs and in the real estate sector. Stocks within specific industries or sectors can periodically perform differently than the overall stock market due to changes impacting that particular industry or sector.

Short Selling Risk - Strategies that include short selling will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the account purchases the security to replace the borrowed security. In addition, a lender may request, or market conditions may dictate, that securities sold short be returned to the lender on short notice, which may result in the account having to buy the securities sold short at an unfavorable price. If this occurs, any anticipated gain to the account may be reduced or eliminated or the short sale may result in a loss. In a rising stock market, an account's short positions may significantly impact the account's overall performance and cause the account to underperform traditional long-only equity strategies or to sustain losses, particularly in a sharply

rising market. The use of short sales may also cause the account to have higher expenses than long only accounts. Short sales are speculative transactions and involve special risks, including greater reliance on NAM's ability to accurately anticipate the future value of a security. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited. By contrast, a loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot go below zero.

The combination of short sales with long positions in an account's portfolio in an attempt to improve performance or reduce overall portfolio risk may not be successful and may result in greater losses or lower positive returns than if the account held only long positions. It is possible that an account's long securities positions will decline in value at the same time that the value of its short securities positions increase, thereby increasing potential losses to the account. In addition, an account's short selling strategies may limit its ability to fully benefit from increases in the equity markets.

To the extent an account invests the proceeds received from selling securities short in additional long positions, the account is engaging in a form of leverage. The use of leverage may increase the account's exposure to long positions and make any change in the account's value greater than it would be without the use of leverage. This could result in increased volatility of returns.

Fixed Income Risks

General 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 invest in lower quality bonds, including "high yield" securities.

Credit Spread Risk - Credit spread risk is the risk that credit spreads (i.e., the difference in yield between securities that is due to differences in their credit quality) may increase when the market believes that bonds generally have a greater risk of default. Increasing credit spreads may reduce the market value of the portfolio's debt securities. Credit spreads often increase more for lower rated and unrated securities than for investment grade securities. In addition, when credit spreads increase, reductions in market value will generally be greater for longer-maturity securities.

Income Risk - The income earned from a portfolio may decline because of falling market interest rates. Also, if a portfolio invests in inverse floating rate securities, whose income payments vary inversely with changes in short-term market rates, the portfolio's income may decrease if short-term interest rates rise.

Interest Rate Risk - Interest rate risk is the risk that the value of a portfolio will decline because of rising interest rates. Debt securities held by a portfolio will fluctuate in value with changes in interest rates. In general, debt securities will increase in value when interest rates fall and decrease in value when interest rates rise. Longer term debt securities are generally more sensitive to interest rate changes, and thus entail greater interest rate risk. Rising interest rates also may lengthen the duration of debt securities with call features, since exercise of the call becomes less likely as interest rates rise, which in turn will make the securities more sensitive to changes in interest rates and result in even steeper price declines in the event of further interest rate increases. A portfolio may be subject to a greater risk of rising interest rates than would normally be the case due to the current period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives.

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 a portfolio 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.

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. Historical interest rate levels, however, are not necessarily predictive of future interest rate levels.

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 a portfolio's assets can decline, as can the value of a portfolio's distributions.

Bond Market Liquidity Risk - Inventories of bonds held by brokers and dealers have decreased in recent years, lessening their ability to make a market in these securities. This reduction in market making capacity has the potential to decrease liquidity and increase price volatility and trading costs in the fixed income securities and/or markets, particularly during periods of economic or market stress. As a result of this decreased liquidity, an account may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on performance.

Valuation Risk - The debt securities in which a portfolio may invest typically are valued by a pricing service utilizing a range of market-based inputs and assumptions, including readily available market quotations obtained from broker-dealers making markets in such instruments, cash flows and transactions for comparable instruments. There is no assurance that a portfolio will be able to sell a security at the price established by the pricing service, which could result in a loss to the portfolio. Pricing services generally price debt securities assuming orderly transactions of an institutional "round lot" size, but some trades may occur in smaller, "odd lot" sizes, often at lower prices than institutional round lot trades.

Recent Events in the Fixed Income Markets - Following the financial crisis that began in 2007, the Board of Governors of the Federal Reserve System has sought to stabilize the U.S. economy by keeping the federal funds rate at or near zero percent. In addition, the Federal Reserve, in a program called Quantitative Easing, has purchased securities issued or guaranteed by the U.S. government, its agencies or instrumentalities on the open market. As the Federal Reserve reduces Quantitative Easing, and when the Federal Reserve raises the federal funds rate, there is a risk that interest rates across the U.S. financial system will rise. These policy changes may expose fixed-income (including municipal bonds) and related markets to heightened volatility and may reduce liquidity for certain investments, which could cause the value of a portfolio's investments to decline.

Fixed Income Risks Relating to Particular Strategies

Alternative Minimum Tax Risk - Certain municipal bond strategies are not limited as to the amount that can be invested in bonds that generate income subject to the alternative minimum tax. Therefore, all or a portion of the account's otherwise exempt-interest dividends may be taxable to those account holders subject to the federal alternative minimum tax.

Build America Bond Risk - Build America Bonds ("BABs") are bonds issued by state and local governments to finance capital projects such as public schools, roads, transportation infrastructure, bridges, ports and public buildings, among others, pursuant to the Build America Bonds Act (the "Act"). Unlike investments in most other municipal securities, interest received on BABs is subject to U.S. federal income tax and may be subject to state income tax. The Act, enacted in February 2009, authorizes state and local governments to issue taxable bonds on which, assuming certain specified conditions are satisfied, issuers may either (i) receive payments from the U.S. Treasury equal to a specified percentage of its interest payments (known

as “direct pay” BABs) or (ii) cause investors in the bonds to receive federal tax credits (“tax credit” BABs). Direct pay BABs entitle issuers to receive reimbursement from the U.S. Treasury equal to a certain percentage of the interest paid on the bonds, which allows such issuers to issue bonds that pay interest rates that are expected to be competitive with the rates typically paid by private bond issuers in the taxable fixed income market. The portfolios may invest in either direct pay BABs or tax credit BABs in any amount at any time. Issuance of BABs commenced in April 2009 and ended December 31, 2010. To the extent that there are no new issuances of BABs or other taxable municipal securities with interest payments subsidized by the U.S. Government through direct pay subsidies, the ability to execute a BABs strategy may be impaired. BABs portfolios may also use derivatives such as bond futures or interest rate swaps to hedge interest rate risks. Additionally, BABs portfolios may utilize leverage, including through investment in inverse floating rate securities and borrowings. Due to the finite universe of BABs previously issued, and maturation, calls and other factors relating to such securities, there is a limited supply of BABs.

Corporate Loan Risk - The corporate loans in which portfolios may invest may not be (i) rated at the time of investment, (ii) registered with the Securities and Exchange Commission or (iii) listed on a securities exchange. In addition, the amount of public information available with respect to such loans may be less extensive than that available for more widely rated, registered and exchange-listed securities. Because no active trading market currently exists for some corporate loans, such loans may be illiquid and more difficult to value than more liquid instruments for which a trading market does exist. Portfolio transactions in corporate loans may settle in as short as seven days, but typically can take up to two or three weeks, and in some cases much longer. Unlike the securities markets, there is no central clearinghouse for trading corporate loans, and the corporate loan market has not established enforceable settlement standards or remedies for failure to settle. Because the interest rates of floating-rate corporate loans may reset frequently, if market interest rates fall, the loans’ interest rates will be reset to lower levels, potentially reducing a portfolio’s income.

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.

Dollar Roll Transaction Risk - In a dollar roll transaction, a portfolio sells mortgage-backed securities for delivery in the current month while contracting with the same party to repurchase similar securities at a future date. Because the portfolio gives up the right to receive principal and interest paid on the securities sold, a mortgage dollar roll transaction will diminish the investment performance of a portfolio unless the difference between the price received for the securities sold and the price to be paid for the securities to be purchased in the future, plus any fee income received, exceeds any income, principal payments, and appreciation on the securities sold as part of the mortgage dollar roll. Whether mortgage dollar rolls will benefit a portfolio may depend upon the adviser’s ability to predict mortgage prepayments and interest rates. In addition, the use of mortgage dollar rolls by a portfolio increases the amount of the portfolio’s assets that are subject to market risk, which could increase the volatility of the price of the portfolio’s total value.

High Yield Securities Risk - High yield securities, which are rated below investment grade and commonly referred to as “junk” bonds, are high risk investments that may cause income and principal losses for an account. They generally have greater credit risk, are less liquid and have more volatile prices than investment grade securities.

Defaulted Bond Risk - Defaulted bonds are speculative and involve substantial risks in addition to the risks of investing in high yield securities that have not defaulted. An account generally will not

receive interest payments on the defaulted bonds and there is a substantial risk that principal will not be repaid. In any reorganization or liquidation proceeding relating to a defaulted bond, the account may lose its entire investment.

Municipal Lease Obligations Risk - Participation interests in municipal leases pose special risks because many leases and contracts contain “non-appropriation” clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for this purpose by the appropriate legislative body.

Inflation-Protected Securities Risk - Interest payments on inflation protected debt securities will vary with the rate of inflation, as measured by a specified index. There can be no assurance that the CPI-U (used as the inflation measure by U.S. Treasury inflation protected securities) or any non-U.S. inflation index will accurately measure the real rate of inflation in the prices of goods and services. Moreover, there can be no assurance that the rate of inflation in a non-U.S. country will be correlated to the rate of inflation in the United States. If the market perceives that the adjustment mechanism of an inflation protected security does not accurately adjust for inflation, the value of the security could be adversely affected. There may be a lag between the time a security is adjusted for inflation and the time interest is paid on that security. This may have an adverse effect on the trading price of the security, particularly during periods of significant, rapid changes in inflation. In addition, to the extent that inflation has increased during the period of time between the inflation adjustment and the interest payment, the interest payment will not be protected from the inflation increase.

Inflation-Protected Municipal Bond Strategy Risk - In addition to other risks, this strategy may entail additional risks described below:

Declining Inflation Risk - Certain inflation-hedging strategies involve the use of Consumer Price Index (CPI) swaps. Such accounts will benefit from a CPI swap if actual inflation during the swap's period is greater than the level of inflation expected for that period at the time the swap was initiated. However, if actual inflation turns out to be less than expected, the account will lose money on the swap. In such circumstances, the account will underperform an otherwise identical municipal bond account that had not utilized such inflation hedges.

Inflation-Linked Instruments Risk - The returns of CPI swaps or other inflation-linked instruments reflect a specified index of inflation. There can be no assurance that the inflation index used will accurately measure either the actual future rate of inflation or the rate of expected future inflation reflected in the prices and yields of municipal bonds. As a result, an account's inflation-hedging strategy may not perform as expected. CPI swaps may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions and could result in losses that significantly exceed the account's original investment. CPI swaps create leverage, which may cause the account's value and returns to be more volatile than they would be if the account had not used swaps. CPI swaps also expose the account to counterparty risk, which is the risk that the swap counterparty will not fulfill its contractual obligations.

Insurance Risk - Many significant providers of insurance for municipal securities have recently incurred significant losses as a result of exposure to sub-prime mortgages and other lower credit quality investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. Such losses have reduced the insurers' capital and called into question their continued ability to perform their obligations under such insurance if they are called upon to do so in the future. The insurance feature of a municipal security is contingent on the ability of the insurer to fulfill its obligations. Therefore, insurance does not completely assure the full payment of principal and interest when due through the life of an insured obligation or the market value of the insured obligation.

Inverse Floaters Risk - The use of inverse floaters by an account creates effective leverage. Due to the leveraged nature of these investments, they will typically be more volatile and involve

greater risk than the fixed rate municipal bonds underlying the inverse floaters. An investment in certain inverse floaters will involve the risk that the account could lose more than its original principal investment. Distributions on inverse floaters bear an inverse relationship to short-term municipal bond interest rates. Thus, distributions paid to the account on its inverse floaters will be reduced or even eliminated as short-term municipal interest rates rise and will increase when short-term municipal interest rates fall. Inverse floaters generally will underperform the market for fixed rate municipal bonds in a rising interest rate environment.

Liquidity Risk - The portfolios 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, a portfolio may have particular difficulty selling its assets in sufficient amounts, at reasonable prices and in a sufficiently timely manner.

The secondary market for municipal bonds, and particularly for high-yield municipal bonds, tends to be less well developed and less liquid than many other securities markets. As a result, an account may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on performance. An account may invest a significant portion of its assets in unrated bonds. The market for these bonds may be less liquid than the market for rated bonds of comparable quality.

Municipal Bond Market Liquidity Risk - Inventories of municipal bonds held by brokers and dealers have decreased in recent years, lessening their ability to make a market in these securities. This reduction in market making capacity has the potential to decrease an account's ability to buy or sell bonds, and increase bond price volatility and trading costs, particularly during periods of economic or market stress. In addition, recent federal banking regulations may cause certain dealers to reduce their inventories of municipal bonds, which may further decrease an account's ability to buy or sell bonds. As a result, an account may be forced to accept a lower price to sell a security, to sell other securities to raise cash, or to give up an investment opportunity, any of which could have a negative effect on performance. If an account needed to sell large blocks of bonds to raise cash, those sales could further reduce the bonds' prices and hurt performance. Certain strategies invest a significant portion of the account's assets in unrated bonds. The market for these bonds may be less liquid than the market for rated bonds of comparable quality.

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. Additional special risks include:

Subordination. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore are subject to greater credit risk than bonds and other debt instruments.

Limited voting rights. Generally, preferred security holders have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. In the case of certain preferred securities, holders generally have no voting rights, except (i) if the issuer fails to pay dividends for a specified period of time or (ii) if a declaration of default occurs and is continuing. In such an event, preferred security holders generally would have the right to appoint and authorize a trustee to enforce the trust or special purpose entity's rights as a creditor under the agreement with its operating company.

Special redemption rights. In certain circumstances, an issuer of preferred securities may redeem the securities prior to their stated maturity date. For instance, for certain types of preferred securities, a redemption may be triggered by a change in federal income tax or

securities laws. As with call provisions, a redemption by the issuer may negatively impact the return of the security held by an account.

Payment deferral. Generally, preferred securities may be subject to provisions that allow an issuer, under certain conditions, to skip (“noncumulative” preferred securities) or defer (“cumulative” preferred securities) distributions. Non-cumulative preferred securities can defer distributions indefinitely. Cumulative preferred securities typically contain provisions that allow an issuer, at its discretion, to defer distributions payments for up to 10 years. If an account owns a preferred security that is deferring its distribution, the account may be required to report income for tax purposes while it is not receiving any income.

Liquidity. Preferred securities may be substantially less liquid than many other securities, such as U.S. government securities or common stock.

Financial services industry. The preferred securities market is comprised predominately of securities issued by companies in the financial services industry. Therefore, preferred securities present substantially increased risks at times of financial turmoil, which could affect financial services companies more than companies in other sectors and industries.

Tax risk. Accounts may invest in preferred securities or other securities the federal income tax treatment of which may not be clear or may be subject to recharacterization by the Internal Revenue Service.

Mortgage/Asset-Backed Securities Risk - The value of a portfolio’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 negatively affected, and may continue to negatively affect, both the price and liquidity of some mortgage-related and asset-backed securities. The federal conservatorship of Fannie Mae and Freddie Mac and any changes in laws and regulations affecting the relationship between these agencies and the U.S. Government may adversely affect the agency mortgage market. If Fannie Mae and Freddie Mac were eliminated, or their structures were to change radically (i.e., limitation or removal of the guarantee obligation), or their market share reduced because of required price increases or lower limits on the loans they can guarantee, an account could be unable to acquire additional agency mortgage investments and an account’s existing agency mortgage investments could be materially and adversely impacted.

Risks Related to Changes in Tax Laws - The value of an account’s investments may be adversely affected by changes in tax rates and policies, which may be driven by unfavorable changes in tax laws or adverse interpretations by the Internal Revenue Service or state tax authorities, or by noncompliant conduct of a bond issuer. This risk is heightened for municipal bond strategies. Because interest income from municipal securities is normally not subject to regular federal income tax, the attractiveness of municipal securities in relation to other investment alternatives is affected by changes in federal income tax rates or changes in the tax-exempt status of interest income from municipal securities. Any proposed or actual changes in such rates or exempt status, therefore, can significantly affect the demand for and supply, liquidity and marketability of municipal securities. This could in turn affect the account’s value and ability to acquire and dispose of municipal securities at desirable yield and price levels. Proposals have been introduced in Congress to restrict or eliminate the federal income tax exemption for interest on municipal securities, and similar proposals may be introduced in the future. Proposed “flat tax” and “value added tax” proposals would also have the effect of eliminating the tax preference for municipal securities. Some of the proposals have applied to interest on municipal securities issued before the date of enactment, which would have adversely affected their value to a material degree. If such a proposal were enacted, the availability of municipal securities for investment by an account and the value of the account’s portfolio would be adversely affected. All clients (especially tax-exempt or tax-deferred accounts) are encouraged to consult their own

financial advisors and legal and tax professionals on an initial and continuous basis in connection with engaging a manager and selecting a strategy (especially a municipal bond strategy).

Political and economic risks - The values of municipal securities may be adversely affected by local political and economic conditions and developments. Adverse conditions in an industry significant to a local economy could have a correspondingly adverse effect on the financial condition of local issuers. Other factors that could affect municipal securities include a change in the local, state, or national economy, demographic factors, ecological or environmental concerns, statutory limitations on the issuer's ability to increase taxes, and other developments generally affecting the revenue of issuers (for example, legislation or court decisions reducing state aid to local governments or mandating additional services). A municipal bond strategy that is limited (exclusively or materially) to bonds from a particular state (plus U.S. territories (e.g., Puerto Rico)) may be more susceptible to adverse economic, political or regulatory changes affecting municipal bond issuers in those states (plus U.S. territories (e.g., Puerto Rico)). Certain such strategies may include exposure to Puerto Rico bonds, and municipal bond issuers in Puerto Rico have recently experienced financial difficulties and rating agency downgrades, which has caused the prices of such bonds to decline.

Zero coupon bonds risk - As interest on zero coupon bonds is not paid on a current basis, the values of the bonds are subject to greater fluctuations than the value of bonds that distribute income regularly, and may be more speculative than such bonds.

Additional Regulatory Risk relating to Municipal Bonds – In addition to the various regulatory risks described herein, certain regulations and regulatory initiatives may present additional risks for municipal bonds, the municipal bond markets and municipal bond strategies. The Volcker Rule and the Risk Retention Rule, mandated by the Dodd-Frank Act, may have negative implications with respect to the ability of banks to sponsor TOB trusts and the current structure of TOBs (TOBs are primarily used by Funds and Institutional Separate Accounts). The treatment of municipal bonds under the liquidity coverage ratio (LCR) requirements of Basel III, the international standard for bank capital requirements, also raises risks. The failure to give banks appropriate credit for their municipal bond holdings under such LCR requirements may entail risks to the efficient function of the municipal market and the value of municipal bonds.

Asset Allocation Risks

For Asset Allocation strategies, the following risks are in addition to Equity, Fixed Income and International risks, as applicable.

Underlying Fund Risk - Investing in underlying funds, particularly in an asset allocation portfolio, causes a portfolio to indirectly bear the portfolio's portion of the costs and expenses of the underlying fund, in addition to portfolio expenses. Investing in underlying funds also subjects a portfolio to the same risks associated with directly investing in securities held by the underlying fund. Additionally, for index-based funds (including ETFs), the performance of the fund may diverge from the performance of such index (commonly known as tracking error).

ETN Risk - Like other index-tracking instruments, ETNs are subject to the risk that the value of the index may decline, at times sharply and unpredictably. In addition, ETNs, which are debt instruments, are subject to risk of default by the issuer.

Statistical Method Risk - Certain allocation strategies attempt to keep its volatility within a specified range using a proprietary statistical method. There can be no assurance that this method will perform as anticipated or enable an account to achieve its objective.

Index Methodology Risk - There can be no assurance that the U.S. or any foreign inflation index will accurately measure the real rate of inflation in the prices of goods and services.

Allocation Risk - An actively managed asset allocation strategy and its performance will reflect the manager's ability to make asset allocation and other investment decisions to achieve the

portfolio's investment objective. Due to its active management, the portfolio could underperform other accounts with similar investment objectives.

International Risks

The following International risks may be applicable to certain Equity, Fixed Income and Asset Allocation strategies.

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 a portfolio 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.

Non-U.S. Government/Sovereign Debt Risk - Investment in the debt of non-U.S. governments can involve a high degree of risk. The governmental or non-U.S. sovereign issuer that controls the repayment of debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. An issuer's willingness or ability to repay the principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole and the political constraints to which a governmental entity may be subject. Governmental entities also may be dependent on expected disbursements from other governments, multilateral agencies and others abroad to reduce the principal and interest due on their debt.

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 non-U.S. securities markets, and political and economic risks.

Currency Risk - Because the non-U.S. securities in which the portfolios 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 value of non-U.S. dollar denominated securities, the value of dividends and interest earned from such securities, 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 a portfolio. Depositary receipts are also subject to currency risk.

Non-U.S. Securities Market Risk - Securities of many non-U.S. companies or U.S. companies with significant non-U.S. operations 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.

Fixed Income Foreign Investment Risk - Investment in fixed income securities or financial instruments of foreign issuers involves increased risks due to adverse issuer, political, regulatory, currency, market or economic developments. These developments may

impact the ability of a foreign debt issuer to make timely and ultimate payments on its debt obligations to the portfolio or impair the portfolio's ability to enforce its rights against the foreign debt issuer. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

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.

The above risks may be heightened for securities of issuers located in emerging markets countries.

Additionally, a portfolio's income from non-U.S. issuers may be subject to non-U.S. withholding taxes. Non-U.S. companies 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 may limit investment in certain countries or may increase the cost of such investments.

Certain strategies gain international investment exposure by investing in American Depositary Receipts ("ADR"s) and similar depositary receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. Accounts of large institutional clients may hold ordinary non-U.S. securities (sometimes referred to as "ORD") directly (instead of or in addition to ADRs). ADR portfolios may have reduced exposure to the range of international investment opportunities available through ordinary non-U.S. securities. ADRs may be more thinly traded in the U.S. than the underlying shares traded in the country of origin, which may increase volatility and affect purchase or sale prices. ADRs do not eliminate the currency and economic risks associated with international investing. To the extent a portfolio invests in ADRs and other depositary receipts, a portfolio will be generally subject to substantially all of the same risks as when investing directly in ordinary non-U.S. securities. To the extent that NAM purchases non-U.S. ordinary shares and arranges for such shares to be converted into ADRs, client accounts will incur certain fees and costs associated with the conversion. Such fees and costs may be attributable to local broker fees, stamp fees, and local taxes, and are generally included in the net price of the ADR.

Recent Global Market Conditions - The global financial crisis, including the European sovereign debt crisis, resulted, and may continue to result, in an unusually high degree of volatility in the financial markets. Liquidity in some markets has decreased; the ability to obtain credit has become challenging worldwide; and the values of some sovereign debt and of securities of issuers that hold that sovereign debt have fallen. These market conditions may continue to or possibly deteriorate further, and may add significantly to the risk of short-term volatility in accounts. Under such conditions, it may also become very difficult to execute portfolio transactions in affected markets. In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibility that conditions in one country or region might impact issuers in a different country or region, sometimes adversely. In response to the crisis, the European Union, the U.S. and various governments, as well as the European Central Bank, the U.S. Federal Reserve and other central banks, took steps to support financial markets. Withdrawal of this support, failure of efforts in response to the crisis, or investor perception that such efforts are not succeeding, could adversely impact the value and liquidity of certain securities. The severity or duration of these conditions may also be affected by policy changes made by governments or quasi-governmental organizations. Because the situation was widespread and largely unprecedented, and its effects continue to be felt in many markets, it may be unusually difficult to identify both risks and opportunities using past models of the interplay of market forces or to predict the duration of these market conditions, and therefore the effects of these potential events on an account is impossible to predict.

Managed Volatility Strategy Risks

For Managed Volatility strategies, the following risks are in addition to Equity and International risks, as applicable.

Futures and Swaps Risk - The use of futures contracts and swaps to manage the portfolio's volatility may expose the portfolio to losses (some of which may be sudden) to which it would not otherwise have been exposed if the portfolio held only direct investments in equity securities. For example, if the portfolio holds long positions in futures contracts or total return swaps and there is a decline in the value of the underlying equity index, the value of the futures contract or total return swaps will decline at the same time as the portfolio's direct investments in equity securities, leaving the portfolio in a worse position than if it had held only direct investments in equity securities. Conversely, if the portfolio holds short positions in futures contracts or total return swaps and there is an increase in the value of the underlying equity index, the value of the portfolio's positions will decline and offset any appreciation of the portfolio's direct investments in equity securities. Losses on short positions are theoretically unlimited since there is no limit as to how high the underlying equity index can appreciate in value. In addition, investments in futures contracts and swaps may entail investment exposures that are greater than their cost would suggest. As a result, a small investment in futures contracts or swaps could have a large impact on performance. While the futures contracts utilized by the portfolio are standardized and traded on an exchange, total return swap agreements are privately negotiated and entered into in the over-the-counter market with a single counterparty. When the portfolio enters into such swap agreements it bears the risk that its counterparty will default on its obligations.

Managed Volatility Strategy Risk - There can be no assurance that the quantitative models used to manage the portfolio's volatility will accurately forecast realized volatility levels or enable the portfolio to maintain its targeted volatility range; the actual volatility that the portfolio experiences may be significantly higher than its target. In addition, during periods of strong positive equity market performance, the volatility management strategy can be expected to limit the portfolio's gains when compared to similar strategies that do not attempt to manage volatility.

* * *

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment strategy. Prospective clients and 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 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.

ITEM 9 DISCIPLINARY INFORMATION

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

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

In addition to being registered as an investment adviser with the SEC, NAM is also registered as a commodity trading advisor (“CTA”) with the Commodity Futures Trading Commission (“CFTC”), and certain management persons and/or other personnel of NAM are registered as CTA principals or associated persons. When providing advice relating to commodity interests (e.g., futures, options on futures and swaps), depending on the particular strategy and services, NAM may be operating either under its CTA registration or under an exemption or exclusion from registration as a CTA.

Certain management persons and/or other personnel of NAM are registered representatives and associated persons of Nuveen Securities, an affiliated broker-dealer. Additionally, certain management persons and/or other personnel of NAM are registered as principals or associated persons of NAM and/or NFA LLC, an affiliated commodity pool operator registered with the CFTC and an investment adviser registered with the SEC.

As discussed above, NAM is a subsidiary of NFA LLC, which is an indirect subsidiary of TIAA Global Asset Management, LLC (“TGAM”). TGAM is a subsidiary, and represents the Asset Management division, of TIAA, a leading financial services provider. TIAA constitutes the ultimate principal owner of NAM. For additional information on the ownership structure, please see Form ADV Part 1, Schedules A and B.

TIAA’s subsidiaries include various financial industry entities, including broker-dealers, other investment advisers, commodity pool operators and/or commodity trading advisors, banking or thrift institutions, insurance companies or agencies, pension consultants, sponsors or syndicators of limited partnerships, and sponsors, general partners, or managing members of pooled investment vehicles, among other entities. For further information on these subsidiaries, please see Exhibit A.

TIAA is considered a control person of NAM and TIAA’s other financial industry entities may be considered affiliates of NAM under various other regulatory regimes, including as applicable the Investment Advisers Act, the 1940 Act and the Employee Retirement Income Security Act of 1974 (“ERISA”).

Neither TIAA nor its other affiliates have material involvement in NAM’s day-to-day investment and voting determinations on behalf of clients. NAM exercises its own independent investment and voting discretion in accordance with its investment philosophy, fiduciary duties and client guidelines, and NAM maintains certain information barriers designed generally to provide for such independent exercise of investment and voting power.

At any given time, each of NAM, on one hand, and TIAA and its other 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. NAM 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, NAM 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 NAM to outweigh the expected benefits. Further, certain regulatory and legal restrictions or limitations and internal policies (including those relating to the aggregation of different account holdings by NAM and its affiliates) may restrict certain investment or voting activities of NAM on behalf of its clients. For example, NAM’s investment and proxy voting activities with respect to certain securities, issuers, regulated industries and non-U.S. markets may be restricted where applicable laws or regulations impose limits or burdens with respect to exceeding certain investment thresholds when aggregated with its affiliates.

To the extent permitted by the Advisers Act, the 1940 Act, ERISA, and other law, as applicable, NAM may give advice, take action or refrain from acting 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.

TIAA affiliates market, distribute, make referrals of, use and/or recommend investment products and services (including funds and pooled investment vehicles, and investment advisory services) of other affiliates (including NAM), and such affiliates may pay and receive fees and compensation in connection thereto. As a result of the potential additional economic benefit to NAM and/or its affiliates resulting from such activities, there is a potential conflict of interest for NAM, which NAM seeks to mitigate in a variety of ways, depending on the nature of the conflict, such as through oversight of these activities and/or by disclosure in this Brochure. To the extent permitted by applicable law, NAM may delegate some or all of its responsibilities to one or more affiliates, including affiliated investment advisers. NAM's affiliates may likewise delegate some or all responsibilities to NAM. Affiliated broker-dealers and their personnel act as distributors with respect to and/or promote and provide marketing support to affiliated Funds and broker-dealer personnel are internally compensated for those activities. Such distribution activities are subject to the broker-dealer's own procedures.

For certain strategies or accounts, NAM invests in or recommends affiliated Funds. Depending on legal requirements, NAM may waive investment advisory fees on the client assets invested in such Fund, credit the client account for the fees paid by the Fund to NAM or NAM's affiliates, avoid or limit the payment of duplicative fees to NAM and its affiliates through other means, or charge fees both at the Fund level and client account level. Certain separate account strategies that include an allocation to affiliated Funds are available exclusively for NAM managed accounts; termination of such separate account strategies may require a liquidation of such Funds.

NAM serves as sub-adviser to several affiliated registered open and closed-end Funds, including Funds branded as "Nuveen Funds" for which NFA LLC serves as adviser. NAM also serves as sub-adviser to other affiliated Funds, including a series of products offered through one or more bank collective trusts under the Nuveen brand, and an investment company 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 (Undertakings for Collective Investment in Transferable Securities ("UCITS")) Regulations, 2011, under the Nuveen brand. NAM may also provide investment services (e.g., as adviser, sub-adviser or portfolio consultant) to other affiliated Funds, including Funds with the "Nuveen" or "Nuveen Asset Management" brand. NAM serves as managing member, adviser or sub-adviser to one or more affiliated private funds or other pooled investment vehicles.

NAM's affiliates or shared services units provide it with supplemental account administration, trading, operations, client service, sales and marketing, product development and management, risk management, information technology, legal and compliance, human resources, and other corporate, finance or administrative services. The scope of certain such services varies depending on the particular strategy, distribution channel, program, and client size and type.

NAM uses its affiliated broker-dealer, Nuveen Securities, as clearing agent to facilitate the purchase and sale of municipal bonds for client accounts in accordance with its policies and procedures. For additional information about NAM's use of its affiliated broker-dealer, see Item 12.

Within TGAM, the Retail and High Net Worth Product & Distribution business unit supports certain products designed for the retail and high net worth marketplace, and this business unit and its products may be referred to by the "Nuveen Investments" or "Nuveen" brand.

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

NAM has adopted policies and procedures (“Code of Ethics”) designed to detect and prevent conflicts of interest relating to personal trading by its employees, and to ensure that NAM effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. NAM’s employees who wish to purchase or sell most types of securities in their personal accounts may do so only in compliance with certain procedures outlined in the Code of Ethics, such as pre-approval by compliance personnel and periodic holdings reporting. Additionally, NAM employees are prohibited from effecting transactions in individual municipal securities. NAM’s Code of Ethics also prohibits the misuse of material nonpublic information and confidential information. A copy of NAM’s Code of Ethics will be provided upon request of any client or prospective client. Please see the cover page to this Brochure for contact information.

Initially and from time to time, employees of NAM and its affiliates may invest in an affiliated Fund of NAM or its affiliates. Such investments may represent all of or a significant percentage of the affiliated Fund’s assets. NAM or its affiliated entities also may establish proprietary separate accounts, including seed capital accounts.

To the extent that NAM or its employees have established a proprietary separate account or have made investments in an affiliated Fund that is equal to or greater than 25% of the affiliated Fund’s assets, such affiliated Funds or proprietary accounts are managed in a manner consistent with NAM’s fiduciary duty to its other clients to address the potential conflicts of interest resulting from this situation. It is the general policy that affiliated Funds or proprietary accounts should receive neither special advantages nor disadvantages. In addition, as stated above in response to Item 10, NAM serves as investment adviser to private funds.

NAM and its related persons may invest in securities for their personal accounts that are also recommended to NAM clients. Potential conflicts arise in this situation because NAM 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 NAM and/or certain related persons with securities trading activity reports and securities holding reports upon commencement of employment and thereafter on a quarterly and annual basis. In addition, employee transactions are subject to limitations regarding the type and timing of transactions, including certain trading prohibitions, and pre-approval and monitoring by compliance professionals and/or certain related persons.

NAM, 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, NAM 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. NAM 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 first refusal, co-investment or other rights in respect of any such investment.

The following restrictions apply to related persons of NAM 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 natural persons in a control relationship with NAM or its affiliates and obtain information concerning recommendations made to a client account, portfolio managers, portfolio assistants, securities analysts, traders, or any other persons designated as such by NAM or any affiliated entity (each such person is an “Investment Person”).

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.

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

To the extent NAM determines that there is no material conflict of interest, certain officers and employees of NAM from time to time may engage in outside business activities, including serving on boards of unaffiliated entities.

Material Non-Public Information

From time to time, NAM is subject to limitations on its investment activities relating to the possession of material non-public information ("MNPI"). Under applicable law, NAM and its personnel are prohibited from improperly disclosing or using MNPI for its own benefit or the benefit of its clients. Possession of MNPI could limit NAM's ability to transact in affected investments, which could be detrimental to client accounts. NAM may in its discretion seek to employ the use of certain approaches or procedures to seek to minimize such limitations, but there is no assurance that NAM will employ such procedures or that such procedures will be effective in alleviating the limitations associated with possessing MNPI.

Cross Trades

For certain client accounts, in accordance with applicable law, NAM effects cross trades between the accounts of clients advised by it or its affiliates in appropriate circumstances. NAM believes that cross trade have the potential to provide benefits to both the buying and the selling account, including eliminating or reducing transaction costs. Further, cross trades can provide a potentially attractive alternative to selling or buying a small-lot size of a desirable security in the open market, especially when the small-lot is part of a larger block position held by other NAM clients (as is frequently the case with SMA Accounts). Prior to each cross trade transaction, NAM will determine that the transaction is in the best interests of both clients concerned based on the investment objectives and portfolio characteristics of each client account. Neither NAM nor Nuveen Securities receives any commission, transaction fees or other transactional compensation in connection with effecting cross trades.

For certain SMA Accounts and Institutional Separate Accounts in municipal bond strategies, NAM uses an independent third party pricing service to set the price of the cross trade pursuant to NAM's Cross Transactions Policy. The municipal bonds are then crossed at the pricing service's price minus a dealer bid/ask spread for an institutional sized block of bonds. The dealer bid/ask spread is designed to approximate actual spreads for bonds of comparable type and ratings to the bonds NAM seeks to cross. If the pricing service is unable to provide an offer-side price, or if NAM believes in good faith that such price is inaccurate or stale, NAM reserves the right to set the price at which the cross trade will be effected in its good faith judgment in accordance with NAM's Cross Transactions Policy. Under the Policy, NAM maintains the ability to apply a premium or discount to the pricing service's price to reflect more recent or complete market information based on independent dealer evaluations, competitive bids for the bonds, or other sources.

For SMA Accounts and Institutional Separate Accounts, including those in municipal bond strategies, cross trades are conducted only in accordance with applicable law and NAM's policies and procedures.

Any cross trades involving U.S. registered open-end and closed-end investment companies are carried out in accordance with Rule 17a-7 under the 1940 Act and applicable policies and procedures.

Cross trades involving accounts subject to ERISA are not generally permitted.

For additional information, see Item 10.

ITEM 12 BROKERAGE PRACTICES

Broker-Dealer Selection

In most arrangements, NAM has the authority to make all determinations as to which securities are to be bought or sold, the amounts of the securities to be bought or sold, the broker-dealer to be used and commissions, dealer spreads and other fees to be paid. In executing trades on behalf of clients, NAM seeks best execution under the circumstances of each trade.

When selecting broker-dealers to execute transactions in equity securities, NAM takes into consideration best price (without regard to commissions) and additional factors including, but not limited to, the value, nature and quality of any brokerage and research products and services, execution capability, commission rate, financial responsibility (including willingness to commit capital), the likelihood of price improvement, the speed of execution and likelihood of execution for limit orders, the ability to minimize market impact, the maintenance of the confidentiality of orders, and responsiveness of the broker-dealer. For equity transactions, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution under the circumstances. Subject to the satisfaction of its obligation to seek best execution, another factor that might be considered by NAM in selecting a broker-dealer is the broker-dealer's access to initial public offerings ("IPOs").

For fixed income transactions, NAM takes into consideration best price and execution quality under the circumstances. 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.

NAM has established a Brokerage Practices Committee that has oversight and policy making responsibility for NAM's brokerage practices for its equity and fixed income strategies. Committee membership includes NAM senior management and representatives from portfolio management and trading. Representatives from the risk management, compliance, legal and operations departments are also designated to attend Brokerage Practices Committee meetings. The Committee meets periodically, typically monthly.

The exact commission rate paid on a particular agency transaction is within NAM's discretion exercised within general guidelines provided by the Brokerage Practices Committee. From time to time, the Brokerage Practices Committee may review industry survey data relating to commission rates and, based upon analysis of such data, provide the equity trading desk with guidelines with respect to commission rates.

Taxable fixed income transactions are executed by investment and trading personnel for a particular strategy sector. Investment and trading personnel who manage similar taxable fixed income strategies communicate with each other and may coordinate trading efforts in certain circumstances, but otherwise operate independently. One taxable fixed income strategy may therefore be selling a given security at the same time that another, similar strategy is buying the security.

For municipal bond strategies, NAM periodically ranks broker-dealers on the basis of best execution criteria and other factors, including incidental proprietary research services. In purchasing new issues of municipal securities for client accounts, NAM may designate a portion of the selling concession to certain broker-dealers on the basis of such ranking. The ability to select among multiple dealers is generally extremely limited in cases where there is a limited supply of municipal bonds with specified desired characteristics (e.g., a certain quality, maturity, duration and/or particular state of issue). A similar ranking of broker-dealers is performed periodically by the taxable fixed income group.

NAM executes securities and investment transactions through financial firms that use, offer or include products or services of NAM or its affiliates in a particular program or preferred list. NAM

does not take into account such business arrangements when selecting firms for securities and investment transactions.

Fixed income securities may be purchased for Institutional Separate Accounts 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. Securities also may be purchased from underwriters at prices that include underwriting fees. NAM expects that substantially all portfolio transactions for fixed income securities will be effected on a principal (as opposed to an agency) basis and accordingly, does not expect to pay significant amounts of brokerage commissions. On a limited basis, NAM executes portfolio transactions on an agency basis with reputable brokers and dealers.

Depending on the terms of the client arrangement, NAM also has the authority to negotiate and enter into investment arrangements with respect to derivatives, including swaps, futures, options and other types of exchange-traded or over-the-counter (OTC) arrangements on behalf of its client accounts. NAM enters into derivatives transactions for a variety of purposes relating to a client's objectives, including to seek an investment opportunity, to hedge a risk (e.g., interest rate risk) or for other investment purposes. Counterparties to these derivatives transactions are selected based on a number of factors, including credit rating, execution prices, execution capability with respect to complex derivative structures, reputation, responsiveness and/or other criteria relevant to a particular transaction.

Use of Affiliated Broker-Dealer

NAM uses Nuveen Securities to clear municipal bond transactions for separate account clients (including SMA Accounts and Institutional Separate Accounts) where NAM believes that such use does not create a conflict of interest. In such transactions, there will be no change in the bond price Nuveen Securities pays or receives and the price NAM's clients pay or receive for the same bonds when Nuveen Securities provides the municipal bond clearing services. Nuveen Securities will not receive any spread, mark-up, mark-down or transaction fee from the client in connection with such service. NAM may reimburse the actual or estimated expenses of Nuveen Securities for providing such services. NAM believes that there are significant advantages for its clients in using Nuveen Securities as a clearing agent for municipal bond transactions, including minimizing the chance of error otherwise associated with a large number of individual purchases and delivery instructions, a greater ability to purchase and allocate institutionalized blocks of municipal bonds to NAM separate accounts, and the potential for price improvements on securities transactions for the benefit of clients. When selling municipal bonds for NAM accounts, NAM is similarly able to aggregate all or a portion of the block at Nuveen Securities prior to selling them to a dealer. This practice also has the potential to minimize the opportunity for third party errors, increase overall speed and efficiency, and result in price improvements.

Execution Practices for Legacy Securities

NAM reserves the right to establish policies that limit acceptance of a client's previously acquired securities ("legacy" positions or securities) for account funding or contribution purposes. Where accepted, NAM generally evaluates legacy positions and generally sells all or a portion of such securities to the extent that such securities would not be included in NAM's normal portfolio holdings for such account or otherwise conflict with applicable guidelines (unless such securities are subject to another express arrangement). Depending on the size and characteristics of the legacy position and the then-prevailing markets and other factors, the client may receive a sale price that is less favorable than if the transaction involved a more marketable or liquid position. The client will be responsible for all tax liabilities that result from any sale transactions. As discussed above in Items 4 and 10, for certain programs, NAM utilizes the services of NGO to perform certain functions, including trading for SMA Accounts based on NAM's directions.

For SMA Accounts, NAM generally determines the timing and manner of disposition of legacy securities used to fund new SMA Accounts, or contributed to existing SMA Accounts, that are

incompatible with NAM's long-term investment view or otherwise conflict with applicable guidelines. NAM may sell all or a portion of such securities promptly, or may sell certain such legacy securities promptly (e.g., those that are below certain quality thresholds or maturity requirements) and sell other such legacy securities more gradually and/or opportunistically over the invest-up or other period. For such prompt sales of legacy securities, NAM generally directs the execution of sale transactions through the relevant broker-dealer/custodian designated by the client's managed account program in the interest of speed and efficiency, subject to program limitations. In such a case, NAM will not seek to place the trade with another broker-dealer that may offer better execution than the program's designated broker-dealer/custodian. As a result of time constraints and lot sizes that may be applicable to these types of sale transactions, and the general unavailability of the full range of trading techniques including aggregation, the prices received in legacy securities transactions may be more or less favorable than the prices that could be attained for sales of securities selected by NAM as part of ongoing management. For programs that do not provide execution services for prompt sales of legacy securities, NAM will sell legacy securities using a broker-dealer other than the program's designated broker-dealer/custodian. In such cases, the prices received in these transactions may be more or less favorable than the prices that could be attained for prompt sales of securities traded with the program's designated broker-dealer/custodian. Generally, a sale of an odd-lot of legacy securities and/or lower quality securities (especially, in the case of municipal bonds) will receive a less favorable price than a sale of a larger round lot and/or higher quality securities. Clients may always sell legacy securities on their own with the assistance of their financial advisor and without reliance on NAM, and use cash to fund a new account or make a contribution to the account. NAM has adopted special execution practices for prompt sales of legacy securities as a courtesy to assist clients in opening and funding accounts. Because these execution practices for legacy securities are generally not part of Nuveen's normal management of client accounts, Nuveen's execution practices, and its review of these trades, will differ from its execution practices and review procedures for current accounts under its ongoing management.

In connection with establishing a new account or account mandate for an Institutional Separate Account, NAM will work with the client to identify legacy securities that might appropriately be held by the account.

Execution Practices for the Termination of Accounts

Clients who terminate NAM's services for SMA Accounts may retain securities in their account or instruct NAM to promptly sell the portfolio securities. When following termination and liquidation instructions with respect to equities and taxable fixed income securities, NAM generally directs the execution of sale transactions through the relevant broker-dealer/custodian designated by the client's managed account program in the interest of speed and efficiency, subject to program limitations. In such a case, NAM will not seek to place the trade with another broker-dealer that may offer better execution than the program's designated broker-dealer/custodian. As a result of time constraints and lot sizes that may be applicable to these types of sale transactions, and the general unavailability of the full range of trading techniques including aggregation, the prices received in these transactions may be less favorable than the prices that could be attained for sales of securities selected by NAM as part of ongoing management. For programs that do not provide execution services for prompt sales in connection with termination and liquidation, NAM will sell account securities using a broker-dealer other than the program's designated broker-dealer/custodian. In such cases, the prices received in these transactions may be more or less favorable than the prices that could be attained for prompt sales of securities traded with the program's designated broker-dealer/custodian. Generally, a sale of an odd-lot of legacy securities and/or lower quality securities (especially, in the case of municipal bonds) will receive a less favorable price than a sale of a larger round lot and/or higher quality securities. Clients may always retain account securities and/or sell them on their own with the assistance of their financial advisor or a successor investment adviser and without reliance on NAM, subsequent to the effective termination date of NAM's services. NAM has adopted special execution practices for prompt sales of securities in connection with termination as a courtesy to assist clients in closing or transitioning accounts. Because these execution practices are generally not part of Nuveen's normal management of client accounts, Nuveen's execution practices, and its review of

these trades, will differ from its execution practices and review procedures for accounts under its current ongoing management.

Research and Other Soft Dollar Benefits

NAM generally has authority to cause a client account to pay a broker-dealer a commission higher than that which another broker-dealer might have charged for effecting the same transaction (a practice commonly referred to as “paying up”), in recognition of the value of the brokerage and research products and services provided by the broker-dealer. The broker-dealer may directly provide such products or services to NAM, or may purchase them from a third party for NAM. In such cases, NAM is in effect paying for the brokerage and research products and services with client commissions - so-called “soft dollars.” When NAM uses soft dollars to obtain research or other products or services, NAM receives a benefit because it does not have to produce or pay for the research, products or services. NAM will only cause an account to pay up if NAM, subject to its overall duty to seek best execution, determines in good faith that the products and services are eligible brokerage and research under Section 28(e) of the Securities Exchange Act of 1934, and the amount of such commission is reasonable in relation to the value of the brokerage and research services provided, viewed in terms of either that particular transaction or the overall responsibilities of NAM in managing its clients’ accounts.

NAM employs the use of commission sharing arrangements. Under these arrangements, NAM may request an executing broker to allocate a portion of commissions to a pool of commission credits maintained by the executing broker or by a commission manager from which the executing broker or commission manager, at NAM’s direction, pays research providers for 28(e) eligible research products and services (“Commission Sharing Arrangements”). Commission Sharing Arrangements may be used to pay for both proprietary and third party research products and services.

The research products and services NAM receives include some or all of the following: 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, analytical tools for investment research 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.

At least annually, NAM reviews the amount, nature and quality of the 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 Brokerage Practices Committee reviews and approves 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. NAM does not make binding commitments regarding the level of brokerage commissions it will allocate to a broker-dealer, but may commit to pay cash 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. NAM 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.

Although it is not typically the case, NAM may receive research services from broker-dealers in connection with its purchase of new issues of fixed-income or equity securities. Additionally, consistent with its responsibilities in seeking best execution, NAM 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. NAM also may receive 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.

As a general matter, the research products and services that NAM receives from broker-dealers are used to service all of NAM's advisory accounts. However, any particular research product or service may not be used to service each and every advisory account, and may not directly benefit the particular account(s) that generated the brokerage commissions used to acquire the product or service. For example, equity commissions are used for research products and services utilized in managing fixed income accounts. In addition, accounts that do not generate any commissions used to acquire research products and services may benefit from those that do. Generally, accounts that direct NAM to use a particular broker-dealer and SMA Accounts do not generate commissions used to acquire research products and services. Such accounts may benefit from research products and services purchased with commissions of other accounts.

NAM receives from broker-dealers certain research products or services that it also uses for business purposes unrelated to research - so-called "mixed use" products or services. For example, certain services are provided as a part of a product that bundles many separate and distinct brokerage, execution, investment management, custodial and recordkeeping services into one package. Market data services are a specific example of mixed use services that NAM acquires because certain employees of NAM may use such services for marketing or administrative purposes, while others use them for research purposes. The acquisition of mixed-use products and services causes a conflict of interest for NAM, in that clients pay up for this type of research product or service while the product or service also directly benefits NAM. For this reason, and in accordance with general Securities and Exchange Commission guidance, NAM will make a good faith effort to determine what percentage of the product or service is used for non-brokerage and research purposes and will pay cash ("hard dollars") for such percentage of the total cost of any such product or service. To ensure that its practices are consistent with its fiduciary responsibilities to its clients, and to address the conflict of interest inherent in mixed use products and services, the Brokerage Practices Committee determines whether mixed use items may be acquired and, if so, what the appropriate allocation is between soft dollar and hard dollar payments for such products and services. These determinations represent a conflict of interest, as NAM has a financial incentive to allocate a greater proportion of the cost of mixed use products to soft dollars.

The research products and services that NAM receives from broker-dealers supplement NAM's own research activities. As a practical matter, in some cases NAM 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. NAM attempts to mitigate these potential conflicts through oversight of the use of commissions by the Brokerage Practices Committee.

Directed Brokerage

Except with respect to the provision of model portfolios, NAM generally has brokerage discretion. Under certain circumstances, NAM permits clients to direct brokerage. In the event that a client directs, and NAM agrees, to use a particular broker-dealer and/or a client imposes other transaction limitations, NAM may not be able to freely negotiate commissions or dealer spreads or select broker-dealers on the basis of best price and execution for such transactions. In addition, transactions directed in this manner may result in clients foregoing the benefit from savings on execution costs NAM may obtain for its other clients through, for example, negotiating volume discounts on block trades. As a result, such clients may have to pay greater dealer commissions or spreads or receive less favorable net prices than would be the case if NAM were authorized to choose the broker-dealer through which to execute transactions for client accounts. A client who directs brokerage should periodically review the terms of their directed brokerage arrangements to ensure that such arrangements are in the client's continuing best interest.

Conflicts of interest may exist under directed brokerage arrangements for NAM when its client directs brokerage to a financial intermediary who refers clients to NAM. NAM may place orders for directed brokerage accounts after it places orders for accounts where NAM has broker-dealer selection discretion, which could adversely affect the price clients pay or receive on securities transactions. A client also may notify NAM that it may not place trades through certain broker-dealers.

Certain SMA Accounts, including Wrap Fee Program Accounts

Under wrap fee programs (and partially-bundled dual contract arrangements where a client has contracted with the sponsor for certain services (typically custody, financial advisory, and certain trading, but excluding investment management) on a bundled basis), clients are not charged separate commissions on each trade so long as the program sponsor (or a broker-dealer designated by the sponsor) executes the trade. In these circumstances, a portion of the wrap (or partially-bundled) fee generally is considered as in lieu of commissions or other transaction costs. Where permitted by program terms, NAM may execute a transaction through a broker-dealer other than the program sponsor where NAM believes that such trade would result in the best price and execution under the circumstances. NAM generally trades away from the program sponsor for municipal bond and other fixed income strategies, but may also trade away from the sponsor in other asset classes depending on liquidity and market conditions. In such cases, transaction and other fees are generally included in the net price of the security and not separately disclosed, and in addition to wrap (and partially-bundled) fees. However, in other situations trades will be executed with the program sponsor (or a broker-dealer designated by the sponsor) so as to avoid incurring additional brokerage costs or other transaction costs by using other broker-dealers, in addition to the wrap (or partially-bundled) fee. This is typically the case with equity strategies under normal liquidity and market conditions. Managed accounts programs may impose a significant limitation on the ability of NAM to seek best price and execution by placing trades through other broker dealers.

Allocation and Aggregation

General

As discussed below, NAM may aggregate purchases and sales of securities and other investments in a block trade, and allocate securities based on its procedures, which may include a pro rata allocation based on the aggregate requested amounts of such issue by the relevant portfolio managers or methods other than pro rata in appropriate circumstances. NAM manages proprietary and related person accounts in the same manner, and does not favor one type of account over the other. NAM periodically reviews its treatment of proprietary accounts to ensure that it does not favor them over client accounts.

The decision as to whether or not to aggregate particular orders is made by NAM, in the exercise of its discretion. Among the factors NAM will consider are the timing of the receipt of the orders and any specific instructions relating to the orders and whether the order is administered by a centralized trading desk. The price to a particular client could be higher or lower than the actual price that would otherwise be paid by the client in the absence of aggregation. The transaction costs incurred in the transaction will be shared pro rata based on the extent of each account's participation in the transaction.

NAM may aggregate trades for execution and request that the executing broker "step-out" a portion of the aggregate trade to clients' directed brokers. The executing broker gives up the trades to the directed broker who receives any related commissions and clears, settles and confirms the transaction to NAM and the clients involved.

Orders placed for SMA Accounts may be kept separate from other orders, and may not be included in aggregated orders. Also, as discussed above, trades for accounts where a client directs NAM to use a certain broker-dealer or prohibits NAM from using certain broker-dealers may not be aggregated with other orders for the same security. Transactions for accounts that

are not included in a bunched order may be executed before, along with, or after transactions in the same security being executed for other NAM clients. For certain SMA Accounts, administrative support is provided by NGO, a division of Nuveen Investments Holdings, Inc., an affiliate of NAM. See Item 10.

NAM endeavors to treat clients fairly and equitably over time with respect to trading sequencing and allocation. Where there are actual or perceived constraints on the use of aggregate orders, such as in the case of discretionary SMA Accounts programs, or where NAM does not handle trading, such as in the case of the delivery of model portfolios, NAM employs, where appropriate, procedures that may include (i) employing the use of one or more execution or order delivery rotations among clients; (ii) executing orders or delivering model recommendations for different clients at approximately the same time; or (iii) other methods as may be developed from time to time. While these procedures are designed to treat clients in a fair and equitable manner over time, on any given order, some accounts may trade before other accounts, and some accounts may receive more favorable pricing than other accounts for the same security.

Equity Securities

For equity securities, NAM's general policy (subject to the exceptions described herein) is that all orders for the same security that are placed simultaneously will be aggregated in a single order in an effort to obtain best execution at the best price available. An order that is placed subsequent to the entry of an aggregated order for the same security on the trade blotter will generally be added to the unfilled portion of the prior aggregated order to create a new aggregated order.

Orders that are submitted to the equity trading desk pursuant to program trades (*i.e.*, single orders involving multiple securities generally employed for rebalancing) will generally be processed separately from other orders, and will not be included in aggregated orders. Also, as discussed above, trades for SMA Accounts and accounts where a client directs or prohibits the use of a certain broker-dealer may not be bunched with other orders for the same security. Transactions for accounts that are not included in a bunched order may be executed before, along with, or after transactions in the same security being executed for other NAM clients. To the extent that such transactions are effected through different broker-dealers than a bunched order, non-bunched transactions may involve payment of different commissions than bunched transactions.

In addition, bunched and non-bunched transactions are likely to be executed at different times, and at different prices. Where bunched and non-bunched transactions are effected at similar times, they may compete against each other in the market, resulting in higher costs or lower proceeds, or both. Where one group of transactions is affected prior to another group, the prior group of transactions may adversely impact the market price for the latter group of transactions.

Municipal Securities

SMA Accounts. NAM may, at its discretion, aggregate secondary market purchases and sales of municipal securities for SMA Accounts in a block trade, and allocate securities as described below. When determining which accounts are eligible to participate in a block trade, NAM takes into account factors that may include suitability of the investment for the particular client account, investment objective, strategy, style and maturity, credit quality, available cash balance or collateral, and diversification.

Funds and Institutional Accounts. Generally, secondary market trades for Funds and institutional accounts are not managed by a centralized trading desk. Accordingly, while individual portfolio managers may aggregate trades for multiple accounts they manage, in most cases, such trades are not aggregated with trades initiated by other portfolio managers. In circumstances where a portfolio manager has reason to believe that NAM accounts managed by other portfolio managers may be in the market at the same time selling the same security, NAM's central trading desk for new issues will coordinate the selling activity by coordinating and aggregating such sell orders.

Taxable Fixed Income Securities and Derivatives

NAM may, at its discretion, aggregate purchases and sales of taxable fixed income securities (including currencies) or derivatives in a block trade, and allocate securities based on the investment needs of the particular account provided that no account is favored over any other participating account, in an effort to obtain best execution. An order that is placed subsequent to the entry of an aggregated order for the same security is generally treated as a separate order, which may be aggregated with remaining unfilled orders for the same security, or executed separately. NAM may decide not to aggregate certain orders if, in its judgment, aggregation would not result in fair treatment to accounts, or would not result in best execution of the order.

When determining which accounts are eligible to participate in a block trade, NAM takes into account factors that may include suitability of the investment for the particular client account, investment objective, strategy, style and maturity, credit quality, available cash balance or collateral, and diversification. In the case of transactions in over-the-counter derivatives where not all accounts have entered into trading agreements (e.g., ISDA Master Agreements, Futures Agreements, etc.) with the same counterparties, orders for such accounts may not be aggregated. Also, as discussed above, trades for SMA Accounts and accounts where a client directs or prohibits the use of a certain broker-dealer may not be bunched with other orders for the same security.

Allocation of Secondary Market Trades

NAM has written allocation procedures designed to provide for fair and equitable allocation of securities over time among similar client accounts, including allocations among Funds and separate accounts.

Equity Securities

For partially filled orders of equity securities, NAM will allocate that portion of the trade that has been completed pro rata across the participating accounts in an amount not less than a single share, and a weighted average price and commission will be calculated as described above. To the extent that a pro rata allocation would result in an account receiving less than the minimum lot size used by NAM (currently one share), that account shall be allocated no shares from that partial fill. Shares not allocated as a result of this procedure will be reallocated to the largest account included in the allocation. At the opening of the market on the next business day, the remainder of a partially filled aggregate order will be handled by NAM as described above.

Municipal Securities

SMA Accounts. NAM generally will allocate municipal securities for SMA Accounts based on the strategy (e.g., taking account the relevant state for state-specific, state-preference and national-preference (sometimes referred to as “national with secondary state”) portfolios), account cash balance, security-level and account-level quality, maturity and duration characteristics, AMT status, and other relevant factors including the scarcity of a particular security in light of the particular account objective and strategy. For example, an account with a state-specific municipal bond objective may receive priority for a particular municipal bond over an account with a national municipal bond objective; an account with a higher or longer standing cash balance may receive priority over a comparable account with a lower or shorter cash balance. Although not every client account will participate in every block trade, NAM seeks to treat all client accounts fairly and equitably over time.

Funds and Institutional Accounts. In those instances where NAM aggregates secondary market sell orders, each account participating in the combined order will be allocated sales on a pro rata basis until the order is fully executed or until a decision has been made to change or terminate the order. If a combined order for a security is partially executed, and the order is increased due to additional bonds being added to the order, that will be treated as a new combined order, with participating accounts participating pro rata in the sales of the new combined order. If the selling interest is in multiple CUSIPS of the same or related issuers, the trading desk will decide the sequencing of the multiple individual or combined orders to be least disruptive to the market.

Taxable Fixed Income Securities and Derivatives

NAM generally attempts to allocate bunched orders for the same security or investment for (1) all accounts eligible to acquire the security, and for which the transaction is appropriate under the circumstances; (2) accounts that have sufficient cash or collateral to participate; and (3) in the case of derivatives, accounts are approved to trade with the counterparty to the transaction. In such case, all participating accounts generally share pro rata in the transaction. Exceptions to such pro rata allocation include orders for less than a particular dollar amount (e.g., \$5 million), situations where a pro rata allocation results in an account receiving less than a particular dollar amount (e.g., \$50,000) of a security, and allocations with respect to Government securities and related instruments of certain major governments. In instances of exceptions to the pro rata allocation policy, NAM seeks to treat affected accounts in a manner that is fair and equitable over time, such that no account or accounts receive(s) consistently favorable or unfavorable treatment.

Allocation of New Issues

Equity New Issues: NAM may invest client assets in securities in new issues, including equity IPOs. NAM's determination to purchase IPO securities will be made based upon factors that it considers to be relevant including, without limitation, eligibility of an account to participate, the price at which the securities will be offered and the availability of the securities. NAM may receive limited allocations of IPO securities based on commissions generated by its client accounts. NAM has developed Equity IPO Allocation Policies and Procedures ("IPO Allocation Policies") designed to provide reasonable assurance that opportunities to receive IPO securities are allocated fairly and equitably over time among its clients that are eligible to participate in IPOs.

In determining whether a client account is eligible to participate in an IPO, NAM will consider all of the relevant factors and circumstances, including portfolio objective, investment strategy, applicable account guidelines and restrictions, and the risk profile of the client. As a result, many accounts will be excluded from equity new issues.

NAM's IPO Allocation Policies provide that equity new issues will be allocated pro rata to those accounts participating in the IPO, based on the relative size of the order placed for each client account that participates in an IPO.

The availability of IPO securities, especially those of so-called "hot issues," is typically limited. The allocation of IPO securities by the underwriter to investment advisers, such as NAM, generally depends on factors such as the investment adviser's past business with the underwriter, potential business volume and other similar factors. While NAM's ability to receive IPO allocations may be gained partially through the investment activity of all client accounts, many client accounts will not receive IPO securities. Equity IPO securities are generally not available for SMA Accounts.

Because IPO issuers are typically small or mid-sized companies (measured by anticipated market capitalization), and because such investments are subject to a significant amount of risk, NAM believes that IPO securities are not suitable investments for all client accounts. NAM generally participates in IPO securities for its clients when the issue's anticipated market capitalization is consistent with, and permitted by, the investment style, objectives, and risk tolerance of the client. Thus, those accounts that have investment styles and objectives that focus on small- and mid-capitalization companies, and that accept a significant amount of risk, will generally receive IPO allocations. NAM will generally not allocate IPO shares on the basis of a client directed transaction request.

No proprietary accounts will receive favorable treatment as a result of NAM's IPO Allocation Policies, and under NAM's Code of Ethics, accounts of executives and employees of NAM or its affiliates are not permitted to acquire securities in an equity IPO in their personal accounts.

NAM's IPO Allocation Policies generally limit the participation in equity IPO securities by client accounts. These policies serve to mitigate risk by generally limiting clients' exposure to an

individual IPO. These policies also assist in achieving a pro rata allocation of IPO securities among clients by having a consistent maximum participation percentage for each client.

Municipal Securities New Issues: New issues of municipal securities are allocated through a centralized trading desk pursuant to procedures that are designed to treat all accounts fairly and equitably over time. Generally, if an allotment of a new municipal issue is for less than the total bonds for which NAM placed orders, the total allotment received generally will be allocated pro rata among Funds and Institutional Separate Accounts, on the one hand, and SMA Accounts on the other, based on the number of bonds requested by such accounts, to the extent practicable. The allocation among SMA Accounts will then be made based on several factors, including available cash, maturity and duration of the account relative to portfolio target, national, state specific or state preference characteristics and other considerations with the objective of treating all SMA Accounts fairly over time. The allocation among Funds and Institutional Accounts will generally be made pro rata, based on each account's order size.

Taxable Fixed Income Securities New Issues: NAM allocates new fixed income issues to eligible client accounts based upon its review of the investment objective of each client account, the size of the original order placed by the account, lot size, relative size of the accounts, relative size of the account's portfolio holding of the same or comparable securities, cash balances, and other factors including the scarcity of a particular security in light of the particular account objective and strategy. For example, an account with a primary high yield objective may receive priority for a high yield bond over an account that does not have a primary high yield objective.

SMA Account program sponsors generally restrict NAM from investing for accounts of such SMA Account program clients in issues where the sponsor or an affiliate of the sponsor serves as manager or lead (or in some cases, co-manager or co-lead) of the offering. In such cases, SMA Accounts may be excluded from potentially attractive investment opportunities.

Trade Errors

In the event of a trade error made by NAM, it is NAM's general policy to reimburse clients so that they are restored to their original position. For trade errors identified before settlement, NAM may reallocate the subject securities to the account of another client in accordance with certain procedures designed to mitigate the conflicts of interest associated with such reallocation. Correcting some trade errors may result in losses or gains to NAM or its affiliates.

For trade errors that occur in SMA Accounts, NAM generally does not have the ability to control the ultimate resolution of the trade error. In these instances, the trade error and resolution thereof will be governed by the program sponsor's policies and procedures or directions. Certain program sponsors establish trade error accounts for their programs whereby gains for certain errors in client accounts managed by NAM are offset by losses in other client accounts managed by NAM in the same program(s) over varying time periods. This offsetting of gains with losses could result in a benefit or detriment to NAM.

ITEM 13 REVIEW OF ACCOUNTS

General Description

NAM provides continuous monitoring and oversight of the discretionary accounts it manages, and accounts are reviewed on an exception basis. Accounts are reviewed by the relevant portfolio manager and/or other NAM or NGO employees to seek to ensure that each account is managed consistent with the investment criteria applicable to the account in terms of: (i) allocation of portfolio assets; (ii) diversification of assets among different securities; (iii) duration and maturity, for fixed income accounts; and (iv) compliance with any specific restrictions established by the client. The composition and number of reviewers vary depending in part on the type of account, amount of assets and nature of investment goals and objectives of client.

For Funds, reviews also may include analysis of security performance, account diversification and cash flow.

In addition to the regular reviews, NAM may also consider the following additional factors, depending on the strategy and account: (i) performance of individual securities or asset classes; (ii) material economic and market events; (iii) changes in a separate account client's financial profile as communicated to NAM; and (iv) changes recommended in overall investment policy or strategy by NAM's portfolio managers. The number of accounts for which a reviewer is responsible will vary.

Client Reports

Separate Accounts (SMA and Institutional)

NAM provides portfolio reports to the extent agreed with the client, upon request, or specified under the SMA program agreement. Portfolio reports generally include portfolio holdings and may include performance information. Such reports are not intended to replace a client's custodial account statements as records for official or tax reporting purposes. Clients are encouraged to request and review quarterly account statements (including asset amounts and transactions during the period) sent directly from their custodian (e.g., broker-dealer, bank or trust company).

NAM also may distribute economic commentaries and other materials periodically. Special reports may be prepared to meet specific client requirements. NAM may provide reports to sponsors, financial intermediaries and certain institutional clients that are not regularly sent to clients regarding performance, portfolio holdings and other portfolio information. Where NAM serves as a sub-adviser to an affiliated adviser, the affiliated adviser would provide any such reports. See Item 4 regarding other reports and materials.

Funds

NAM provides Fund boards with quarterly reports that may include, among other information, holdings and transaction information, performance and attribution analysis, brokerage allocation, soft dollar information, accounting data, portfolio reviews, reviews of diversification, and distribution information. NAM also provides additional information or reports as requested by Fund boards. Fund investors receive annual and semi-annual reports and quarterly account statements from Fund service providers.

Wrap Fee Program and Non-Wrap Fee Programs

Program clients may receive reports of portfolio holdings and performance from the program sponsor.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

In the ordinary course of business, NAM or a related person provides corporate gifts, meals and entertainment such as golfing and tickets to cultural and sporting events to personnel of firms that do business with NAM or its affiliates. Such gifts, meals and entertainment provided by NAM or a related person generate a conflict of interest to the extent that they create an incentive for the recipient or beneficiary to use, recommend, offer or include products or services of NAM in a particular program, include NAM in a preferred list of advisers, or refer clients to NAM. In the ordinary course of business NAM employees also are the recipients of corporate gifts, meals and entertainment. NAM's receipt of gifts, meals and entertainment generates a conflict of interest to the extent that they create an incentive for the recipient or beneficiary to use the services of the provider (e.g., in the case of a broker-dealer, brokerage services) of the gifts, meals and entertainment. The giving and receipt of gifts and other benefits are subject to limitations under internal policies and procedures.

NAM pays fees to consultants for their advice and services, industry information or data, or conference attendance. If a particular payment constitutes, in NAM's judgment, a client solicitation arrangement under Rule 206(4)-3 under the Advisers Act, NAM will comply with the provisions of the Rule. The payment of fees to consultants generates a conflict of interest to the extent that such payment creates an incentive for the recipient or beneficiary to use, recommend, offer or include products or services of NAM in a particular program, include NAM in a preferred list of advisers, or refer clients to NAM.

NAM 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 NAM 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 the Nuveen Investments Wealth Management Services group are not intended to constitute financial planning, tax, legal, or investment advice and are for educational purposes only. The provision of Nuveen Investments Wealth Management services and materials generates a conflict of interest to the extent that such provision creates an incentive for the recipient or beneficiary to use, recommend, offer or include products or services of NAM in a particular program, include NAM in a preferred list of advisers, or refer clients to NAM.

In appropriate instances, NAM and its related persons refer business to each other with respect to each other's products and services. Prospects and clients to whom such referrals have been made should be aware of the conflict inherent in such referral as a result of the common control of such parties. See Item 10.

In the ordinary course of business, NAM (or an affiliate) makes payments to firms or persons that use, recommend, offer or include products or services of NAM (and its affiliates) in a particular program, include NAM (and its affiliates) in a preferred list of advisers, or refer clients to NAM (or its affiliates). The types of payments include, without limitation, conference, program or event attendance, participation or exhibition sponsorship fees; educational and training fees; license, data access, operational or administrative fees; or fees linked to program participation or specific marketing initiatives within an existing program or new program. The amounts of such payments, which are generally made on an enterprise-wide basis, can be significant for certain SMA program sponsor or financial intermediary firm recipients (e.g., up to or in excess of \$1 million annually). NAM (or an affiliate on NAM's behalf) sometimes pays travel, meal and entertainment expenses for a firm's representatives and others who visit NAM's offices or other locations (including hotels and conference centers) to learn about its products and services. The foregoing payments generate a conflict to the extent that they create an incentive for the recipient or beneficiary of the payment to use, recommend, offer or include products or services of NAM in a particular program, include NAM in a preferred list of advisers, or refer clients to NAM.

NAM also makes charitable contributions or underwrites or sponsors charitable events at the request of others. Payments described above vary significantly from firm to firm depending on the nature of NAM's and its affiliated investment advisers' separate account activities with the firm and the amount of the firm's separate account client assets under NAM's and its affiliated investment advisers' management. Such contributions generate a conflict to the extent that they create an incentive for the recipient or beneficiary of the payment to use, recommend, offer or include products or services of NAM in a particular program, include NAM in a preferred list of advisers, or refer clients to NAM. Payments are subject to NAM or a related person's internal review and approval procedures.

SMA Account 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. All clients are encouraged to make relevant inquiries of their financial advisory firms and financial advisors, consultants and other intermediaries regarding the arrangements and practices described above.

In addition to the foregoing, with respect to Funds, NAM or an affiliate makes payments to firms or individuals that use, offer or sell shares of the Funds advised by NAM, or place the Funds on a recommended or preferred list. Such Fund-related payments generate a conflict to the extent that they create an incentive for the recipient or beneficiary of the payment to use, offer or sell shares of the Funds advised by NAM, or place the Funds on a recommended or preferred list. Fund investors should review a Fund's prospectus (or statement of additional information) for important information about such Fund-related payments.

ITEM 15 CUSTODY

Clients should receive quarterly or monthly account statements from the broker-dealer, bank or other financial services firm that serves as qualified custodian to their account(s), and clients should carefully review those statements. Clients who do not receive such account statements are encouraged to follow up directly with their custodian and request such statements. Clients who receive additional reports from NAM are urged to compare these reports to the account statements they receive from the qualified custodian. NAM's reports are generally preliminary and may vary from custodial statements based on accounting procedures, reporting dates, valuation methodologies and other factors. They are not intended to be a substitute for account statements provided by a qualified custodian, and should not be used for official purposes.

In the event of an inadvertent receipt of a check or other financial instrument payable to a client, NAM 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.

Individual clients who seek to direct transfers or payments from their separate account to third parties (e.g., to pay bills or transfer funds) should directly contact and instruct the account's custodian and/or primary financial advisor. It is generally outside the scope of NAM's authority and services to process or intermediate such instructions.

ITEM 16 INVESTMENT DISCRETION

NAM is generally granted discretionary authority to manage securities accounts on behalf of clients. For Institutional Separate Accounts and SMA Accounts through dual contract programs, NAM 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.

For SMA Accounts through wrap fee programs, NAM is appointed to act as an investment adviser through a process generally documented and administered by the program sponsor. Clients participating in a program, generally with assistance from the sponsor, may select NAM to provide investment advisory services for their account (or a portion thereof) in a particular strategy. NAM provides investment advisory services based upon the particular needs of the client as reflected in information provided to NAM by the sponsor, and will generally make itself available for direct consultations as reasonably requested by clients and/or sponsors. 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 wrap or other program. In the course of providing services to program clients who have financial advisors, NAM generally relies on information or directions communicated by the financial advisor acting with apparent authority on behalf of its client.

NAM's discretionary authority over an account is generally subject to directions, guidelines and limitations imposed by the client and, in the case of an SMA Account through a wrap fee program, the program sponsor. NAM will endeavor to follow reasonable directions, investment guidelines and limitations. Although NAM seeks to provide individualized investment advice to its discretionary client accounts, NAM will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with NAM's investment approach (including restrictions affecting more than a stated percentage of the account), and reserves the right to decline to accept, or terminate, client accounts with such restrictions. See Item 4.

In addition to the foregoing, NAM may provide its services on a non-discretionary and model portfolio basis.

Through its Institutional Solutions Group, NAM may also provide certain services on a consulting basis.

For additional information about NAM's investment advisory services and investment restrictions, see Item 4.

ITEM 17 VOTING CLIENT SECURITIES

Proxy Voting

Except as otherwise directed by a client, NAM is generally authorized to vote proxies for its clients, which may include Funds, as part of its duties as discretionary investment adviser. NAM does not vote proxies where a client withholds proxy voting authority, and in certain non-discretionary and model programs. NAM votes proxies in accordance with its policies and procedures in effect from time to time.

NAM's Proxy Voting Committee ("PVC") provides oversight of NAM's proxy voting policies and procedures, including providing an administrative framework to facilitate and monitor the exercise of such proxy voting, and to fulfill obligations of reporting and recordkeeping under the federal securities laws.

NAM has approved and adopted the proxy voting policies of an independent third party, Institutional Shareholder Services, Inc. ("ISS"), a leading national provider of proxy voting administrative and research services. As a result, such policies set forth NAM's positions on recurring proxy issues and criteria for addressing non-recurring issues. These policies are reviewed periodically by ISS, and therefore are subject to change. Even though it has adopted ISS's policies, NAM maintains the fiduciary responsibility for all proxy voting decisions. The portfolio management team for the Sector Series strategies utilizes the services of Glass Lewis & Co., LLC, exclusively.

From time to time, a portfolio manager may initiate action to override ISS's recommendation for a particular vote. Any such override will be reviewed by NAM's legal department for material conflicts. If the legal department determines that no material conflicts exist, the approval of a member of the PVC (or a respective designee) shall authorize the override. If a material conflict exists, the conflict, and ultimately the override recommendation, will be addressed pursuant to the procedures described below. NAM's policy permits it to refrain from voting where it determines that it would be in the client's overall best interest not to vote. In special circumstances, as an alternative to reliance on an independent third party, NAM may vote a proxy with the consent or based on the instructions of the client or its representative.

Day-to-day administration of proxy voting may be provided internally or by a third party service provider, depending on client type, subject to the ultimate oversight of the PVC.

Equity Securities - With respect to equity securities, NAM will vote equity securities in accordance with its policies and procedures discussed above.

Fixed Income Securities - A client may acquire indirectly equity securities that issue proxies. For example, a client may acquire, directly or through a special purpose vehicle, equity securities of a municipal bond issuer whose bonds are already held in a client's account when such bonds have deteriorated or are expected shortly to deteriorate significantly in credit quality. The purpose of acquiring equity securities generally will be to acquire control of the bond issuer (e.g., municipal bond issuer) and to seek to prevent the credit deterioration or facilitate the liquidation or other workout of the distressed issuer's credit problem. In the course of exercising control of a distressed issuer, NAM may pursue the client's interests in a variety of ways, which may entail negotiating and executing consents, agreements and other arrangements and otherwise influencing the management of the issuer. NAM does not consider such activities proxy voting for purposes of Rule 206(4)-6 under the Investment Advisers Act of 1940, but nevertheless provides reports to the relevant parties on its control activities on a quarterly basis.

In the rare event that a fixed income issuer were to issue a proxy or that a client were to receive a proxy issued by a cash management security, and ISS did not make a voting recommendation, NAM would either vote the securities itself or engage a different independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions of the client or its representative. NAM would oversee the administration of the voting

and ensure that records were maintained in accordance with Rule 206(4)-6, reports were filed as applicable, and the results provided to the relevant parties as appropriate.

NAM recognizes that there are circumstances where it may have a perceived or real conflict of interest in voting the proxies of issuers or proxy proponents (e.g., a special interest group) who are clients or potential clients of its affiliates. Directors and officers of such companies may have personal or familial relationships with NAM, its affiliates and/or their employees that could give rise to potential conflicts of interest. NAM will vote proxies in the best interest of its clients regardless of such real or perceived conflicts of interest. NAM attempts to minimize the risk of conflicts by adopting the policies of an independent third party and establishing procedures in order to override the ISS recommendation.

To further minimize the risks related to conflicts of interest, NAM's compliance department may review ISS's conflict avoidance policy periodically to ensure that it adequately addresses both the actual and perceived conflicts of interest the proxy voting service may face. In the event that ISS faces a material conflict of interest with respect to a specific vote, the PVC will direct ISS how to vote based on input from appropriate investment personnel and subject to determining that NAM faces no material conflicts of its own with respect to the specific proxy vote.

If it is concluded that a material conflict does exist for NAM, the PVC will recommend to senior management a course of action designed to address the conflict. Such actions could include, but are not limited to: (1) obtaining instructions from the affected clients on how to vote the proxy; (2) disclosing the conflict to the affected clients and seeking their consent to permit NAM to vote the proxy; (3) voting in proportion to the other shareholders; (4) recusing the relevant person associated with the conflict from discussion or consideration of the matter, if the material conflict is due to such person's actual or potential conflict of interest; or (5) following the recommendation of a different independent third party.

NAM's clients may contact their relationship manager for a copy of NAM's proxy voting policies and procedures or more information about the proxy voting record for their account.

Legal Proceedings

NAM is under no obligation to advise or act for clients in legal proceedings including bankruptcies and class actions involving securities purchased or held in client accounts. NAM generally notifies or transmits copies of legal materials it receives to the client, program sponsor, client custodian or other client representative.

In special situations primarily relating to distressed or defaulted municipal bonds held by Nuveen Funds subadvised by NAM, NAM may engage in reorganization and workout arrangements and other legal matters in order to maximize the value of the particular portfolio holding.

ITEM 18 FINANCIAL INFORMATION

NAM 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 of its most recent fiscal year. NAM is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has NAM been the subject of a bankruptcy petition at any time during the past ten years.

ADDITIONAL INFORMATION

Notice to Canadian Clients

NAM is exempt from registration as an adviser in Ontario 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. NAM is not registered as a “portfolio manager” in any province or territory of Canada.
2. NAM has its head office at 333 West Wacker Drive, Chicago IL 60606 U.S.A.
3. The local address for service of process against NAM in Ontario is Torys, LLP, 79 Wellington St. West, Toronto, Ontario M5K 1N2.
4. There may be difficulty enforcing legal rights against NAM because it is resident outside Canada and all or substantially all of its assets may be situated outside of Canada.

Any nonpublic personal information NAM receives from Canadian clients will be stored in the U.S. and, as a consequence, may become subject to disclosure in accordance with U.S. laws.

Exhibit A
TIAA Primary Financial Industry Subsidiaries

Entity Name	Primary Financial Industry or Related Affiliation*
Nuveen Asset Management, LLC	Registered Investment Adviser CFTC Registered Commodity Trading Advisor
Nuveen Fund Advisors, LLC	Registered Investment Adviser CFTC Registered Commodity Pool Operator
Nuveen Investments Advisers, LLC	Registered Investment Adviser
Gresham Investment Management LLC	Registered Investment Adviser CFTC Registered Commodity Pool Operator CFTC Registered Commodity Trading Advisor
NWQ Investment Management Company, LLC	Registered Investment Adviser
Santa Barbara Asset Management, LLC	Registered Investment Adviser
Symphony Asset Management LLC	Registered Investment Adviser
Tradewinds Global Investors, LLC	Registered Investment Adviser
Winslow Capital Management, LLC	Registered Investment Adviser
Nuveen Securities, LLC	Registered Broker Dealer
Nuveen Commodities Asset Management, LLC	CFTC Registered Commodity Pool Operator
Nuveen Investments Holdings, Inc.	Shared services entity
Nuveen Investments Canada Co.	Canadian marketing affiliate
Nuveen Global Investments Ltd	UK FCA Registered Exempt CAD Firm
TIAA-CREF Alternatives Advisors, LLC	Registered Investment Adviser
TIAA-CREF Individual & Institutional Services, LLC (aka TIAA-CREF Advice and Planning Services)	Registered Investment Adviser Registered Broker Dealer
TIAA-CREF Investment Management, LLC	Registered Investment Adviser
TIAA-CREF Tuition Financing, Inc.	Registered Investment Adviser
AGR Partners, LLC	Registered Investment Adviser
Churchill Asset Management LLC	Registered Investment Adviser
Covariance Capital Management, Inc.	Registered Investment Adviser
Greenwood Resources Capital Management LLC	Registered Investment Adviser
Kaspick & Company, LLC	Registered Investment Adviser
Teachers Advisors, Inc.	Registered Investment Adviser
Teachers Personal Investors Services, Inc.	Registered Broker Dealer
Teachers Insurance and Annuity Association of America	Insurance Company or Agency
TIAA-CREF Life Insurance Company	Insurance Company or Agency
TIAA-CREF Insurance Agency, LLC	Insurance Company or Agency
TIAA-CREF Trust Company, FSB	Banking or thrift institution
TIAA-CREF Asset Management UK Limited	UK FCA Registered Investment Adviser
Henderson Property UK AIFM Limited	UK FCA Registered Investment Adviser
TCAM Global UK, Limited	UK FCA Registered Investment Adviser
Henderson Real Estate Asset Management Limited	UK FCA Registered Investment Adviser

*The list above refers to TIAA subsidiaries in financial industry affiliation categories referenced in Form ADV, Part 2A, Item 10.C, excluding numerous entities organized primarily to serve as sponsor, general partner, managing member (or equivalent) or syndicator of one or more pooled investment vehicles or limited partnerships (or equivalent). For a list of such entities that have material arrangements with the registrant, please see the registrant's Form ADV, Part 1, Section 7.A. of Schedule D. The list above refers to the primary financial industry affiliation category and certain TIAA subsidiaries listed above may have additional financial industry affiliations, as further described in its respective disclosure documents (Form ADV, in the case of a registered investment adviser).