

NUVEEN TAX ADVANTAGED TOTAL RETURN STRATEGY FUND  
Form N-CSRS  
September 07, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21471

Nuveen Tax-Advantaged Total Return Strategy Fund  
(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606  
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606  
(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: December 31

Date of reporting period: June 30, 2012

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Closed-End Funds

Nuveen Investments

Closed-End Funds

*Seeks Opportunities for Capital Appreciation and Tax-Advantaged Distributions  
from a Portfolio of Value Equities and Senior Loans*

Semi-Annual Report

June 30, 2012

**Nuveen Tax-Advantaged  
Total Return Strategy  
Fund**

**JTA**



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Chairman's  
Letter to Shareholders

**Dear Shareholders,**

Investors have many reasons to remain cautious. The challenges in the Euro area are casting a shadow over global economies and financial markets. The political support for addressing fiscal issues is eroding as the economic and social impacts become more visible. At the same time, member nations appear unwilling to provide adequate financial support or to surrender sufficient sovereignty to strengthen the banks or unify the Euro area financial system. The gains made in reducing deficits, and the hard-won progress on winning popular acceptance of the need for economic austerity, are at risk. To their credit, European political leaders press on to find compromise solutions, but there is increasing concern that time will begin to run out.

In the U.S., strong corporate earnings have enabled the equity markets to withstand much of the downward pressures coming from weakening job creation, slower economic growth and political uncertainty. The Fed remains committed to low interest rates but has refrained from predicting another program of quantitative easing unless economic growth were to weaken significantly or the threat of recession appears on the horizon. Pre-election maneuvering has added to the already highly partisan atmosphere in the Congress. The end of the Bush-era tax cuts and implementation of the spending restrictions of the Budget Control Act of 2011, both scheduled to take place at year-end, loom closer.

During the last year, U.S. based investors have experienced a sharp decline and a strong recovery in the equity markets. The experienced investment teams at Nuveen keep their eye on a longer time horizon and use their practiced investment disciplines to negotiate through market peaks and valleys to achieve long-term goals for investors. Experienced professionals pursue investments that will weather short-term volatility and at the same time, seek opportunities that are created by markets that overreact to negative developments. Monitoring this process is an important consideration for the Fund Board as it oversees your Nuveen Fund on your behalf.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner  
Chairman of the Board  
August 23, 2012

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## Portfolio Managers' Comments

**Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Fund disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.**

**Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.**

### Nuveen Tax-Advantaged Total Return Strategy Fund (JTA)

*The Fund features management by two affiliates of Nuveen Investments. The Fund's investments in dividend-paying common and preferred stocks are managed by NWQ Investment Management Company, LLC (NWQ), while the Fund's investments in senior corporate loans and other debt instruments are managed by Symphony Asset Management LLC (Symphony). Jon Bosse, Chief Investment Officer of NWQ, leads the Fund's management team at that firm. He has more than 30 years of corporate finance and investment management experience. The Symphony team is led by Gunther Stein, who serves as that firm's Chief Investment Officer. Gunther has over 20 years of investment management experience, much of it in evaluating and purchasing senior corporate loans and other high-yield debt. Here Jon and Gunther talk about their management strategies and the performance of the Fund for six-month period ending June 30, 2012.*

### **What key strategies were used to manage the Fund during this reporting period?**

The Fund is designed to seek a high level of after-tax total return consisting primarily of tax-advantaged dividend income and capital appreciation. In an effort to achieve this, the Fund invests primarily in common stocks whose dividends may be eligible for favorable income tax treatment. The Fund also invests to a more limited extent in preferred stocks that are eligible to pay tax-advantaged dividends, as well as in senior loans and other debt instruments.

For the common and preferred equity portion of the Fund's portfolio, we continued to employ an opportunistic, bottom-up strategy that focused on identifying undervalued companies possessing favorable risk/reward characteristics as well as what we thought were emerging catalysts that could unlock value or improve profitability. These catalysts included management changes, restructuring efforts, recognition of hidden assets, or a positive change in the underlying fundamentals. We also focused on downside risk management and paid a great deal of attention to a company's balance sheet and cash flow statement, not just the income statement. We believed that cash flow analysis offered a more objective and truer picture of a company's financial position than an evaluation based on earnings alone.

During this period, we also wrote (sold) covered call options on individual stocks held in the Fund's portfolio to enhance returns while foregoing some upside potential of its equity portfolio.

In the senior loan and other debt portion of the Fund's portfolio, we continued to manage and monitor senior loan market risks. Credit risk remained benign during the

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Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

For additional information, see the Performance Overview page in this report.

\* Six-month returns are cumulative; all other returns are annualized.

\*\* Since inception returns are from 1/27/04.

\*\*\* Refer to Glossary of Terms Used in this Report for definitions. Indexes are not available for direct investment.

period. Defaults averaged below 2% for the senior loan market. Any weaknesses were in very specific areas, such as the natural gas markets or businesses with company specific issues.

The Fund's capital was deployed into assets which offer high current income and yield, while also offering the potential for upside appreciation as many of these assets trade at a discount to par value. Fundamentally, we feel that many of these companies have stable businesses, good asset coverage for senior debt holders, and can perform well in a stable to slow growth environment.

Prices in the secondary senior loan market continued to be impacted by supply and demand. While loan supply has been slow but steady, with \$100 billion of new loans issued to institutional buyers such as mutual funds and similar clients during the period, demand for loans continued to be positive but volatile. We continued to closely monitor demand activity via fund flows as this can impact overall pricing in the market and the price action of individual securities. We believe that this volatility presents an opportunity to add value to the Fund's portfolio.

### How did the Fund perform over this period?

The performance of the Fund, as well as for a comparative benchmark and index, is presented in the accompanying table.

### Average Annual Total Return on Common Share Net Asset Value\*

For periods ended 6/30/12

	6-Month	1-year	5-Year	Since Inception**
JTA	6.23%	-1.48%	-8.18%	1.48%
Comparative Benchmark***	6.87%	1.72%	-1.18%	4.50%
S&P 500® Index***	9.49%	5.45%	0.22%	1.38%

For the six-month period ended June 30, 2012, the total return on common share net asset value (NAV) for the Fund underperformed its comparative benchmark and the general market index.

Several holdings appreciated from depressed valuations and individual catalysts, including CA Inc., Ingersoll Rand Company, and Wells Fargo & Company. Share prices of software provider CA Inc. increased when management announced a \$2.5 billion return of capital to shareholders through 2014 by increasing its dividend 400% and repurchasing shares. The management team improved the company's market position and enhanced shareholder value through a strategic restructuring and increased focus on internal operations. Ingersoll Rand benefited from the initial stages of cyclical recovery in housing and construction. The company also reduced internal profit pressures, particularly within its heating, ventilation and air conditioning business. Wells Fargo increased its dividend and share buyback plans after successfully passing the Federal Reserve's Comprehensive Capital Analysis Review (CCAR). The company's balance sheet has improved over the past few years, as reflected by increased levels of capital, reserves, and liquidity. Also, a settlement with the states' attorneys general regarding mortgage foreclosure and servicing practices benefited the stock price.

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Several positions detracted from performance including Canadian Natural Resources, Ltd., which underperformed as price differentials between heavy Canadian oil relative to the benchmark West Texas Intermediate (WTI) detracted from stock price performance. The recent reversing of the Seaway Pipeline Project that will carry oil south to the Gulf Coast should help relieve some of the refining backlog currently occurring in Cushing, Oklahoma. More pipeline projects to provide outlets for Canadian heavy crude, including those for export to Asia, should lower differentials as well.

Regional telecom provider Frontier Communications underperformed as the company lowered its dividend payout due to increased capital spending needs. Frontier still has a double digit dividend yield and sufficient cash flow. The stock is attractively valued, and the company is beginning to demonstrate improved operational performance as it integrates its recently acquired Verizon Wireless assets.

AngloGold Ashanti Limited prices declined on mixed first quarter 2012 results. While the company's costs have improved, it fell short on production due to accident stoppages in South Africa. Anglo's production outlook for the remainder of 2012 should be improved. The company had solid performance at the Geita Gold Mine in Tanzania, while the Obuasi Gold Mine in Ghana continued to have improved results. These mines, along with its Tropicana Gold Mine project expected in late 2013, should be catalysts for the stock. Improved financial performance and a stronger balance sheet enabled AngloGold to increase its dividend during the period.

We added several new holdings to the portfolio during the past year, including a position in American International Group, Inc., Best Buy Co, Inc., Hewlett-Packard Company, Mosaic Company, and Intersil Corporation, among others. During the period, we sold Genworth Financial Inc., Exxon Mobil Corporation, Goldman Sachs Group, Inc., Lincoln National Corporation, Loews Corporation, and Nielsen Holdings NV to pursue more attractive investment opportunities.

During the reporting period, the preferred sleeve of the Fund outperformed its benchmark. Our holdings in the banking sector contributed to this outperformance. In particular, Wells Fargo & Company, U.S. Bancorp, and HSBC issues were among the largest contributors for the period.

The senior loan portion of the Fund benefited from positions in U.S. Foodservice Inc. and 24 Hour Fitness Worldwide Inc. Detracting from performance was the position in Frac Tech International LLC, whose natural gas related businesses were negatively impacted by pricing pressure in that market.

Fund Leverage  
and Other Information

**IMPACT OF THE FUND'S LEVERAGE STRATEGIES ON PERFORMANCE**

One important factor impacting the returns of the Fund relative to the comparative index was the Fund's use of leverage through the use of bank borrowings. The Fund uses leverage because its managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by the Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by the Fund generally are rising. During the period, the Fund did not enter into any new interest rate swap contracts in order to hedge leverage costs; however, existing swap contracts that were previously entered into in order to fix (or lock-in) a portion of the Fund's leverage costs partially detracted from the overall positive contribution of leverage. Short-term floating interest rates remained below fixed swap rates for the period increasing realized leverage costs, while longer-term interest rates further declined causing negative mark-to-market unrealized losses.

**RISK CONSIDERATIONS**

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. The following risks are listed in order of priority.

**Investment and Market Risk.** An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Fund, which generally trade in the over-the-counter markets. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

**Price Risk.** Shares of closed-end investment companies like the Fund frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

**Leverage Risk.** The Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, and distributions. Leverage risk can be



introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in a Fund's portfolio. Leverage typically magnifies the total return of a Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that a Fund's leveraging strategy will be successful.

**Tax Risk.** The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations. This is particularly true for funds employing a managed distribution program.

**Common Stock Risk.** Common stock returns often have experienced significant volatility.

**Issuer Credit Risk.** This is the risk that a security in the Fund's portfolio will fail to make dividend or interest payments when due.

**Illiquid Securities Risk.** This is the risk that the Fund may not be able to sell securities in its portfolio at the time or price desired by the Fund.

**Below-Investment Grade Risk.** Investments in securities below investment grade quality are predominantly speculative and subject to greater volatility and risk of default.

**Unrated Investment Risk.** In determining whether an unrated security is an appropriate investment for the Fund, the manager will consider information from industry sources, as well as its own quantitative and qualitative analysis, in making such a determination. However, such a determination by the manager is not the equivalent of a rating by a rating agency.

**Dividend Income Risk.** There is no guarantee that the issuers of common stocks in which the Fund invests will declare dividends in the future or that, if declared, they will remain at current levels or increase over time.

**Risks from Unsecured Adjustable Rate Loans or Insufficient Collateral Securing Adjustable Rate Loans.** Some of the adjustable rate loans in which the Fund may invest will be unsecured or insufficiently collateralized, thereby increasing the risk of loss to the Fund in the event of issuer default.

**Value Stock Risks.** Value stocks are securities that the manager believes to be undervalued, or mispriced. If the manager's assessment of a company's prospects is wrong, the price of the company's common stock or other equity securities may fall, or may not approach the value that the manager has placed on them.

**Derivatives Strategy Risk.** Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying investments.

**Reinvestment Risk.** If market interest rates decline, income earned from the Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

## Common Share Distribution and Price Information

### **Distribution Information**

The following information regarding the Fund's distributions is current as of June 30, 2012, and likely will vary over time based on the Fund's investment activities and portfolio investment changes.

During the six-month reporting period, the Fund made no change to its quarterly distribution to common shareholders. Some of the important factors affecting the amount and composition of these distributions are summarized below.

The Fund employs financial leverage through the use of bank borrowings. Financial leverage provides the potential for higher earnings (net investment income), total returns and distributions over time, but also increases the variability of common shareholders' net asset value per share in response to changing market conditions.

The Fund has a managed distribution program. The goal of this program is to provide common shareholders relatively consistent and predictable cash flow by systematically converting the Fund's expected long-term return potential into regular distributions. As a result, regular distributions throughout the year are likely to include a portion of expected long-term gains (both realized and unrealized), along with net investment income.

Important points to understand about the managed distribution program are:

- The Fund seeks to establish a relatively stable common share distribution rate that roughly corresponds to the projected total return from its investment strategy over an extended period of time. However, you should not draw any conclusions about the Fund's past or future investment performance from its current distribution rate.
- Actual common share returns will differ from projected long-term returns (and therefore the Fund's distribution rate), at least over shorter time periods. Over a specific timeframe, the difference between actual returns and total distributions will be reflected in an increasing (returns exceed distributions) or a decreasing (distributions exceed returns) Fund net asset value.
- Each distribution is expected to be paid from some or all of the following sources:
  - net investment income (regular interest and dividends),
  - realized capital gains, and
  - unrealized gains, or, in certain cases, a return of principal (non-taxable distributions).
- A non-taxable distribution is a payment of a portion of the Fund's capital. When the Fund's returns exceed distributions, it may represent portfolio gains generated, but

\*\* The Fund elected to retain a portion of its realized long-term capital gains for the tax years ended December 31, 2007 and December 31, 2006, and pay required federal corporate income taxes on these amounts. As reported on Form 2439, Common shareholders on record date must include their pro-rata share of these gains on their applicable federal tax returns, and are entitled to take offsetting tax credits, for their pro-rata share of the taxes paid by the Fund. The total returns "Including retained gain tax credit/refund" include the economic benefit to Common shareholders on record date of these tax credits/refunds. The Fund had no retained capital gains for the tax years ended December 31, 2011 through December 31, 2008 or for the tax years ended prior to December 31, 2006.

not realized as a taxable capital gain. In periods when the Fund's returns fall short of distributions, the shortfall will represent a portion of your original principal, unless the shortfall is offset during other time periods over the life of your investment (previous or subsequent) when the Fund's total return exceeds distributions.

- Because distribution source estimates are updated during the year based on the Fund's performance and forecast for its current fiscal year (which is the calendar year for the Fund), estimates on the nature of your distributions provided at the time the distributions are paid may differ from both the tax information reported to you in your Fund's IRS Form 1099 statement provided at year end, as well as the ultimate economic sources of distributions over the life of your investment.

The following table provides estimated information regarding the Fund's common share distributions and total return performance for the six months ended June 30, 2012. This information is provided on a tax basis rather than a generally accepted accounting principles (GAAP) basis. This information is intended to help you better understand whether the Fund's returns for the specified time period were sufficient to meet the Fund's distributions.

<b>As of 6/30/12 (Common Shares)</b>	<b>JTA</b>
Inception date	1/27/04
Six months ended June 30, 2012:	
Per share distribution:	
From net investment income	\$ 0.17
From realized capital gains	0.09
Return of capital	0.18
Total per share distribution	\$ 0.44
Annualized distribution rate on NAV	7.84%
Average annual total returns:	
Excluding retained gain tax credit/refund**:	
6-Month (Cumulative) on NAV	6.23%
1-Year on NAV	-1.48%
5-Year on NAV	-8.18%
Since inception on NAV	1.48%
Including retained gain tax credit/refund**:	
6-Month (Cumulative) on NAV	6.23%
1-Year on NAV	-1.48%
5-Year on NAV	-7.46%
Since inception on NAV	1.83%

The qualified dividend income provisions of the federal tax code are set to expire on December 31, 2012. In the event that Congress does not further extend (or make permanent) these provisions, beginning in calendar 2013, dividends previously referred to as "qualified dividends" would be taxed at normal marginal tax rates.

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### Common Share Repurchases and Price Information

As of June 30, 2012, and since the inception of the Fund's repurchase program, the Fund has cumulatively repurchased and retired its common shares as shown in the accompanying table.

<b>Common Shares Repurchased and Retired</b>	<b>% of Outstanding Common Shares</b>
109,762	0.8%

During the six-month reporting period, the Fund did not repurchase any of its outstanding common shares.

As of June 30, 2012, the Fund's common share price was trading at a discount of -10.24% to its NAV, compared with an average discount of -9.27% for the entire six-month period.

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Performance

OVERVIEW

Nuveen Tax-Advantaged Total Return Strategy Fund

June 30, 2012

**Portfolio Allocation** (as a % of total investments)<sup>2,3</sup>

## **2011-2012 Distributions Per Common Share**

### **Share Price Performance Weekly Closing Price**

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 Current Distribution Rate is based on the Fund's current annualized quarterly distribution divided by the Fund's current market price. The Fund's quarterly distributions to its shareholders may be comprised of ordinary income, net realized capital gains and, if at the end of the calendar year the Fund's cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a return of capital for tax purposes.

2 Excluding investments in derivatives.

3 Holdings are subject to change.

4 As previously explained in the Common Share Distribution and Price Information section of this report, the Fund elected to retain a portion of its realized long-term capital gains for the tax years ended December 31, 2007 and December 31, 2006, and pay required federal corporate income taxes on these amounts. These standardized total returns include the economic benefit to Common shareholders of record of this tax credit/refund. The Fund had no retained capital gains for the tax years ended December 31, 2011 through December 31, 2008 or for the tax years ended prior to December 31, 2006.

**Fund Snapshot**

Common Share Price	\$ 10.08
Common Share Net Asset Value (NAV)	\$ 11.23
Premium/(Discount) to NAV	-10.24%
Current Distribution Rate <sup>1</sup>	8.73%
Net Assets Applicable to Common Shares (\$000)	\$ 155,524

**Leverage**

Regulatory Leverage	30.39%
Effective Leverage	30.39%

**Portfolio Composition**(as a % of total investments)<sup>2,3</sup>

Pharmaceuticals	14.3%
Media	11.3%
Insurance	10.1%
Oil, Gas & Consumable Fuels	7.6%
Software	7.1%
Diversified Financial Services	4.7%
Metals & Mining	4.5%
Commercial Banks	4.2%
Health Care Providers & Services	2.9%
Communications Equipment	2.7%
Machinery	2.6%
Wireless Telecommunication Services	2.1%
Hotels, Restaurants & Leisure	2.1%
Electric Utilities	1.9%
Short-Term Investments	2.2%
Other	19.7%

**Average Annual Total Returns**

(Inception 1/27/04)

	On Share Price	On NAV
6-Month (Cumulative)	9.87%	6.23%
1-Year	-2.55%	-1.48%
5-Year	-9.22%	-8.18%
Since Inception	0.31%	1.48%

**Average Annual Total Returns<sup>4</sup>**



(Including retained gain tax credit/refund)

	<b>On Share Price</b>	<b>On NAV</b>
6-Month (Cumulative)	9.87%	6.23%
1-Year	-2.55%	-1.48%
5-Year	-8.43%	-7.46%
Since Inception	0.69%	1.83%

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Shareholder Meeting Report

The annual meeting of shareholders was held in the offices of Nuveen Investments on March 30, 2012; at this meeting the shareholders were asked to vote on the election of Board Members.

	<b>JTA</b> Common Shares
<b>Approval of the Board Members was reached as follows:</b>	
Robert P. Bremner	
For	11,580,059
Withhold	427,721
Total	12,007,780
Jack B. Evans	
For	11,575,372
Withhold	432,408
Total	12,007,780
William J. Schneider	
For	11,564,427
Withhold	443,353
Total	12,007,780

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## Nuveen Tax-Advantaged Total Return Strategy Fund

## Portfolio of Investments

June 30, 2012 (Unaudited)

Shares	Description (1)	Value
	<b>Common Stocks 102.1% (70.1% of Total Investments)</b>	
	<b>Aerospace &amp; Defense 1.7%</b>	
48,000	Raytheon Company	\$ 2,716,320
	<b>Automobiles 1.9%</b>	
151,000	General Motors Company, (2)	2,977,720
	<b>Chemicals 1.1%</b>	
31,000	Mosaic Company	1,697,560
	<b>Commercial Banks 3.9%</b>	
180,500	Wells Fargo & Company	6,035,920
	<b>Communications Equipment 2.8%</b>	
257,500	Cisco Systems, Inc.	4,421,275
	<b>Computers &amp; Peripherals 1.1%</b>	
87,000	Hewlett-Packard Company	1,749,570
	<b>Diversified Financial Services 6.1%</b>	
179,600	Citigroup Inc.	4,922,836
129,500	JPMorgan Chase & Co.	4,627,035
	Total Diversified Financial Services	9,549,871
	<b>Diversified Telecommunication Services 0.9%</b>	
369,000	Frontier Communications Corporation	1,413,270
	<b>Energy Equipment &amp; Services 0.9%</b>	
50,000	Halliburton Company	1,419,500
	<b>Food &amp; Staples Retailing 2.3%</b>	
78,000	CVS Caremark Corporation	3,644,940
	<b>Industrial Conglomerates 1.2%</b>	
87,600	General Electric Company	1,825,584
	<b>Insurance 11.3%</b>	
96,000	American International Group, (2)	3,080,640
234,000	Hartford Financial Services Group, Inc.	4,125,420
135,900	MetLife, Inc., (3)	4,192,515
127,544	Symetra Financial Corporation	1,609,605
240,700	Unum Group	4,604,591
	Total Insurance	17,612,771
	<b>Machinery 3.7%</b>	
75,000	Ingersoll Rand Company Limited, Class A	3,163,500
68,000	PACCAR Inc.	2,664,920
	Total Machinery	5,828,420

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Nuveen Tax-Advantaged Total Return Fund (continued)

Portfolio of Investments June 30, 2012 (Unaudited)

Shares	Description (1)	Value
	<b>Media 10.4%</b>	
286,000	Interpublic Group Companies, Inc.	\$ 3,103,100
16,393	Metro-Goldwyn-Mayer, (2), (11)	407,092
265,000	National CineMedia, Inc.	4,020,050
140,400	Time Warner Inc.	5,405,400
68,000	Viacom Inc., Class B	3,197,360
	Total Media	16,133,002
	<b>Metals &amp; Mining 6.6%</b>	
112,300	AngloGold Ashanti Limited, Sponsored ADR	3,856,382
97,200	Barrick Gold Corporation	3,651,804
39,500	Freeport-McMoRan Copper & Gold, Inc.	1,345,765
27,500	Newmont Mining Corporation	1,334,025
	Total Metals & Mining	10,187,976
	<b>Oil, Gas &amp; Consumable Fuels 9.8%</b>	
37,000	Canadian Natural Resources Limited	993,450
18,900	Occidental Petroleum Corporation	1,621,053
73,000	Royal Dutch Shell PLC, Class A	4,922,390
426,000	Talisman Energy Inc.	4,881,960
63,500	Total S.A., Sponsored ADR	2,854,325
	Total Oil, Gas & Consumable Fuels	15,273,178
	<b>Pharmaceuticals 19.5%</b>	
112,200	GlaxoSmithKline PLC, ADR	5,112,954
140,000	Merck & Company Inc.	5,845,000
410,000	Pfizer Inc.	9,430,000
181,000	Sanofi-Aventis, ADR	6,838,180
78,200	Teva Pharmaceutical Industries Limited, Sponsored ADR	3,084,208
	Total Pharmaceuticals	30,310,342
	<b>Semiconductors &amp; Equipment 1.4%</b>	
205,000	Intersil Holding Corporation, Class A	2,183,250
	<b>Software 9.2%</b>	
346,000	CA Inc.	9,373,140
163,000	Microsoft Corporation	4,986,170
	Total Software	14,359,310
	<b>Specialty Retail 1.1%</b>	
79,000	Best Buy Co., Inc.	1,655,840
	<b>Tobacco 2.1%</b>	
37,600	Philip Morris International	3,280,976
	<b>Wireless Telecommunication Services 3.1%</b>	

170,000	Vodafone Group PLC, Sponsored ADR	4,790,600
	<b>Total Common Stocks (cost \$151,611,738)</b>	<b>159,067,195</b>

Shares	Description (1)	Coupon	Ratings (4)	Value
	<b>Convertible Preferred Securities</b>	<b>0.5% (0.3% of Total Investments)</b>		
	<b>Commercial Banks</b>	<b>0.5%</b>		
700	Wells Fargo & Company, Convertible Bond	7.500%	BBB+	\$ 787,500
	<b>Total Convertible Preferred Securities (cost \$635,761)</b>			<b>787,500</b>

Nuveen Investments  
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Shares	Description (1)	Coupon	Ratings (4)	Value
	<b>\$25 Par (or similar) Preferred Securities</b>	<b>7.7% (5.3% of Total Investments)</b>		
	<b>Commercial Banks</b>	<b>1.5%</b>		
25,000	BB&T Corporation, (12)	5.850%	Baa2	\$ 653,000
25,000	First Republic Bank of San Francisco, (12)	6.200%	BBB	637,500
10,000	PNC Financial Services	6.125%	BBB	263,500
25,000	U.S. Bancorp.	6.500%	A3	714,500
	Total Commercial Banks			2,268,500
	<b>Consumer Finance</b>	<b>0.5%</b>		
28,500	HSBC Finance Corporation	6.360%	A	718,200
	<b>Electric Utilities</b>	<b>2.0%</b>		
18,150	Alabama Power Company, (3), (12)	6.500%	A-	530,888
10,000	Alabama Power Company, (12)	6.450%	A-	284,688
12,000	Connecticut Power & Light Company, (12)	4.960%	BBB	589,500
5,000	Georgia Power Company, (12)	6.500%	A-	557,032
5,000	Gulf Power Company, (12)	6.450%	BBB+	549,192
3,600	SCE Trust I	5.625%	BBB+	91,728
300	Southern California Edison Company, (12)	6.500%	Baa2	31,463
4,400	Southern California Edison Company, (12)	6.125%	BBB+	440,688
	Total Electric Utilities			3,075,179
	<b>Insurance</b>	<b>3.3%</b>		
25,000	Arch Capital Group Limited	6.750%	BBB	650,000
3,800	Aspen Insurance Holdings Limited	7.401%	BBB-	97,621
12,994	Aspen Insurance Holdings Limited	7.250%	BBB-	332,645
25,000	Axis Capital Holdings Limited	6.875%	BBB	669,750
25,000	Endurance Specialty Holdings Limited	7.750%	BBB-	677,000
3,500		7.500%	BBB-	92,085

	Endurance Specialty Holdings Limited				
25,000	MetLife Inc., Series B	6.500%	Baa2		645,000
25,000	PartnerRe Limited	7.250%	BBB+		670,000
25,000	Principal Financial Group	6.518%	BBB		652,750
26,000	Prudential PLC	6.750%	A-		675,740
	<b>Total Insurance</b>				<b>5,162,591</b>
	<b>Oil, Gas &amp; Consumable Fuels 0.4%</b>				
25,000	Kayne Anderson MLP Trust, (3)	4.950%	AA		634,250
	<b>Total \$25 Par (or similar) Preferred Securities (cost \$11,006,178)</b>				<b>11,858,720</b>
<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Weighted Average Coupon</b>	<b>Maturity (5)</b>	<b>Ratings (4)</b>	<b>Value</b>
	<b>Variable Rate Senior Loan Interests</b>		<b>30.9% (21.0% of Total Investments) (6)</b>		
	<b>Auto Components 1.5%</b>				
\$ 1,307	Federal-Mogul Corporation, Tranche B, Term Loan	2.180%	12/29/14	Ba3	\$ 1,247,027
667	Federal-Mogul Corporation, Tranche C, Term Loan	2.180%	12/28/15	Ba3	636,238
500	Goodyear Tire & Rubber Company, Term Loan, Second Lien	4.750%	4/30/19	Ba1	489,375
2,474	<b>Total Auto Components</b>				<b>2,372,640</b>
	<b>Biotechnology 0.6%</b>				
890	Grifols, Inc., Term Loan	4.500%	6/01/17	BB	883,125
	<b>Building Products 0.6%</b>				
931	Goodman Global Inc., Term Loan	5.750%	10/28/16	B+	932,230
	<b>Chemicals 0.6%</b>				
985	Univar, Inc., Term Loan	5.000%	6/30/17	B+	967,147

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Nuveen Tax-Advantaged Total Return Fund (continued)

Portfolio of Investments June 30, 2012 (Unaudited)

Principal Amount (000)	Description (1)	Weighted Average Coupon	Maturity (5)	Ratings (4)	Value
	<b>Communications Equipment</b>	<b>1.1%</b>			
\$ 982	Avaya, Inc., Term Loan	3.220%	10/27/14	B1	\$ 927,167
858	Intelsat, Term Loan	5.250%	4/02/18	BB-	855,315
1,840	Total Communications Equipment				1,782,482
	<b>Consumer Finance</b>	<b>0.5%</b>			
750	Springleaf Financial Funding Company, Term Loan	5.500%	5/10/17	B3	708,214
	<b>Containers &amp; Packaging</b>	<b>1.5%</b>			
851	Reynolds Group Holdings, Inc., Add on Term Loan	6.500%	8/09/18	BB-	857,507
1,050	Reynolds Group Holdings, Inc., US Term Loan	6.500%	2/09/18	BB	1,058,647
461	Sealed Air Corporation, Term Loan	4.750%	10/03/18	Ba1	464,231
2,362	Total Containers & Packaging				2,380,385
	<b>Electric Utilities</b>	<b>0.8%</b>			
1,860	TXU Corporation, 2014 Term Loan	3.740%	10/10/14	B2	1,171,769
	<b>Food Products</b>	<b>1.5%</b>			
1,320	Michael Foods Group, Inc., Term Loan	4.250%	2/25/18	B+	1,317,868
982	U.S. Foodservice, Term Loan B	5.750%	3/31/17	B-	951,227
2,302	Total Food Products				2,269,095
	<b>Health Care Equipment &amp; Services</b>	<b>1.0%</b>			
1,492	Chiron Merger Sub, Inc., Term Loan	7.000%	5/04/18	Ba2	1,505,932
	<b>Health Care Providers &amp; Services</b>	<b>4.3%</b>			
1,027	Community Health Systems, Inc., Term Loan	2.580%	7/25/14	BB	1,013,417
995	Emdeon Business Services LLC, Term Loan B1	5.000%	11/02/18	BB-	996,095
990		5.000%	5/04/18	B+	942,747

	Golden Living, Term Loan				
76	HCA, Inc., Tranche B2, Term Loan	3.710%	3/31/17	BB	73,919
910	Kindred Healthcare, Term Loan	5.250%	6/01/18	Ba3	868,093
997	Select Medical Corporation, Term Loan	5.500%	6/01/18	BB	970,887
1,810	Universal Health Services, Inc., Term Loan B	3.750%	11/15/16	BB+	1,787,864
6,805	Total Health Care Providers & Services				6,653,022
	<b>Hotels, Restaurants &amp; Leisure 3.0%</b>				
1,960	24 Hour Fitness Worldwide, Inc., New Term Loan	7.500%	4/22/16	Ba3	1,962,450
1,293	Seaworld Parks and Entertainment, Inc., Term Loan B	4.000%	8/17/17	BB-	1,287,145
1,500	Six Flags Theme Parks, Inc., Term Loan B	4.250%	12/20/18	BB+	1,491,825
4,753	Total Hotels, Restaurants & Leisure				4,741,420
	<b>Internet &amp; Catalog Retail 0.5%</b>				
706	Burlington Coat Factory Warehouse Corporation, Term Loan B1	5.500%	2/23/17	B	704,016
	<b>Internet Software &amp; Services 0.4%</b>				
629	Go Daddy Operating Co., LLC, Term Loan, First Lien	5.500%	12/17/18	Ba3	621,040
	<b>IT Services 1.3%</b>				
1,247	First Data Corporation, Extended Term Loan B	5.250%	3/24/17	B+	1,189,606
362	Frac Tech International LLC, Term Loan	6.250%	5/06/16	B+	331,591
490	SunGard Data Systems, Inc., Term Loan B	1.990%	2/28/14	BB	489,261
2,099	Total IT Services				2,010,458
	<b>Media 6.1%</b>				
617	Bresnan Broadband Holdings LLC, Term Loan B	4.500%	12/14/17	BB+	612,556
499	Cequel Communications LLC,	4.000%	2/14/19	Ba2	489,398

	Term Loan				
995	Cumulus Media, Inc., Term Loan, First Lien	5.750%	9/17/18	Ba2	994,717
750	Cumulus Media, Inc., Term Loan, Second Lien	7.500%	3/18/19	B2	751,875

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Principal Amount (000)	Description (1)	Weighted Average Coupon	Maturity (5)	Ratings (4)	Value
	<b>Media (continued)</b>				
\$ 1,246	Interactive Data Corporation, Term Loan B	4.500%	2/11/18	Ba3	\$ 1,228,277
1,000	Kabel Deutschland GmbH, Term Loan F	4.250%	1/20/19	Ba2	991,458
1,960	Mediacom Broadband LLC, Tranche F, Term Loan	4.500%	10/23/17	BB-	1,952,650
264	Nielsen Finance LLC, Term Loan C	3.490%	5/02/16	Ba2	262,647
575	SuperMedia, Term Loan	11.000%	12/31/15	Caa3	328,275
1,956	Univision Communications, Inc., Term Loan	4.500%	3/31/17	B+	1,847,773
9,862	<b>Total Media</b>				9,459,626
	<b>Multiline Retail 0.6%</b>				
933	Bass Pro Group LLC, Term Loan B	5.250%	6/13/17	BB-	935,311
	<b>Oil, Gas &amp; Consumable Fuels 0.9%</b>				
500	El Paso Corporation, Term Loan	6.500%	5/24/18	BB-	505,500
860	Energy Transfer Partners LP, Term Loan B	3.750%	3/23/17	BB	843,568
1,360	<b>Total Oil, Gas &amp; Consumable Fuels</b>				1,349,068
	<b>Pharmaceuticals 1.4%</b>				
500	Bausch & Lomb, Inc., Delayed Draw, Term Loan	4.750%	11/10/15	B+	498,751
750	Bausch & Lomb, Inc., Term Loan B	5.250%	5/17/19	B+	746,720
415	Warner Chilcott Corporation, Term Loan B1	4.250%	3/17/18	BBB-	413,464
207	Warner Chilcott Corporation, Term Loan B2	4.250%	3/17/18	BBB-	206,733
285	Warner Chilcott Corporation, Term Loan B3	4.250%	3/17/18	BBB-	284,257
2,157	<b>Total Pharmaceuticals</b>				2,149,925
	<b>Real Estate Investment Trust 0.3%</b>				

431	iStar Financial, Inc., Term Loan, Tranche A1	5.000%	6/28/13	BB-	430,238
<b>Real Estate Management &amp; Development 0.3%</b>					
394	LNR Property Corporation, Term Loan	4.750%	4/29/16	BB+	393,750
<b>Road &amp; Rail 0.4%</b>					
634	Swift Transportation Company, Inc., Term Loan	5.000%	12/21/17	BB	636,480
<b>Semiconductors &amp; Equipment 0.6%</b>					
987	NXP Semiconductor LLC, Term Loan	4.500%	3/03/17	B-	975,773
<b>Software 1.1%</b>					
900	Datatel Inc., Term Loan B	6.250%	7/19/18	B+	907,217
875	Infor Enterprise Applications, Term Loan	6.250%	4/05/18	Ba3	880,521
1,775	Total Software				1,787,738
<b>Total Variable Rate Senior Loan Interests (cost \$49,012,664)</b>					
<b>\$ 49,411</b>					<b>47,820,884</b>
<b>Principal Amount (000)/ Shares</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (4)</b>	<b>Value</b>
<b>Capital Preferred Securities 1.5% (1.1% of Total Investments)</b>					
<b>Commercial Banks 0.3%</b>					
500	PNC Financial Services Inc.	6.750%	8/01/21	BBB	\$ 527,350
<b>Commercial Services &amp; Supplies 0.4%</b>					
1	Pitney Bowes International Holdings, 144A	6.125%	4/15/50	BBB-	669,844
<b>Diversified Financial Services 0.8%</b>					
600	General Electric Capital Corporation	7.125%	12/15/49	AA-	633,876
500	JPMorgan Chase & Company	7.900%	4/30/18	BBB	548,145
	Total Diversified Financial Services				1,182,021

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Nuveen Tax-Advantaged Total Return Fund (continued)

Portfolio of Investments June 30, 2012 (Unaudited)

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (4)	Value
	<b>Insurance 0.0%</b>				
44	Prudential PLC	7.750%	3/23/49	A-	\$ 44,440
	<b>Total Capital Preferred Securities (cost \$2,328,747)</b>				<b>2,423,655</b>
Principal Amount (000)	Description (1)	Coupon	Maturity		Value
	<b>Short-Term Investments 3.2% (2.2% of Total Investments)</b>				
\$ 4,441	Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/29/12, repurchase price \$4,441,467, collateralized by \$4,050,000 U.S. Treasury Notes, 2.750%, due 2/15/19, value \$4,530,938	0.010%	7/02/12		\$ 4,441,463
494	Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/29/12, repurchase price \$494,087, collateralized by \$500,000 U.S. Treasury Notes, 0.875%, due 12/31/16, value \$506,238	0.010%	7/02/12		494,087
	<b>Total Short-Term Investments (cost \$4,935,550)</b>				<b>4,935,550</b>
\$ 4,935	<b>Total Investments (cost \$219,530,638)</b>				<b>226,893,504</b>



<b>145.9%</b>	
<b>Borrowings</b>	
<b>(43.7)% (7), (8)</b>	<b>(67,900,000)</b>
<b>Other Assets Less</b>	
<b>Liabilities (2.2)%</b>	
<b>(9)</b>	<b>(3,469,384)</b>
<b>Net Assets</b>	
<b>Applicable to</b>	
<b>Common Shares</b>	
<b>100%</b>	<b>\$ 155,524,120</b>

Investments in Derivatives at June 30, 2012

**Call Options Written outstanding:**

<b>Number of Contracts</b>	<b>Type</b>	<b>Notional Amount (10)</b>	<b>Expiration Date</b>	<b>Strike Price</b>	<b>Value (9)</b>
(297)	Barrick Gold Corporation	\$ (1,336,500)	7/21/12	\$ 45.0	\$ (1,188)
(750)	Ingersoll Rand Company Limited, Class A	(3,225,000)	9/22/12	43.0	(151,875)
(1,300)	Interpublic Group Companies, Inc.	(1,560,000)	7/21/12	12.0	(6,500)
(2,548)	Talisman Energy Inc.	(3,057,600)	10/20/12	12.0	(210,210)
(574)	Time Warner Inc.	(2,181,200)	8/18/12	38.0	(87,248)
(680)	Viacom Inc., Class B	(3,400,000)	7/21/12	50.0	(10,200)
<b>(6,149)</b>	<b>Total Call Options Written (premiums received \$602,469)</b>	<b>\$ (14,760,300)</b>			<b>\$ (467,221)</b>

**Interest Rate Swaps outstanding:**

<b>Counterparty</b>	<b>Notional Amount</b>	<b>Fund Pay/Receive Floating Rate</b>	<b>Floating Rate Index</b>	<b>Fixed Rate*</b>	<b>Fixed Rate Payment Frequency</b>	<b>Termination Date</b>	<b>Unrealized Appreciation (Depreciation) (9)</b>
JPMorgan	\$ 13,975,000	Receive	1-Month USD-LIBOR	1.412%	Monthly	3/29/14	\$ (258,018)
Morgan Stanley	13,975,000	Receive	1-Month USD-LIBOR	2.323	Monthly	3/29/16	(901,224)
							<b>\$ (1,159,242)</b>

\* Annualized.



For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Non-income producing; issuer has not declared a dividend within the past twelve months.
- (3) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
- (4) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (5) Senior Loans generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a borrower to prepay, prepayments of Senior Loans may occur. As a result, the actual remaining maturity of Senior Loans held may be substantially less than the stated maturities shown.
- (6) Senior Loans generally pay interest at rates which are periodically adjusted by reference to a base short-term, floating lending rate plus an assigned fixed rate. These floating lending rates are generally (i) the lending rate referenced by the London Inter-Bank Offered Rate ("LIBOR"), or (ii) the prime rate offered by one or more major United States banks.
- (7) Borrowings as a percentage of Total Investments is 29.9%.
- (8) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of June 30, 2012, investments with a value of \$139,780,935 have been pledged as collateral for Borrowings.
- (9) Other Assets Less Liabilities includes the Value and the Net Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives at June 30, 2012.
- (10) For disclosure purposes, Notional Amount is calculated by multiplying the Number of Contracts by the Strike Price by 100.
- (11) For fair value measurement disclosure purposes, Common Stocks categorized as Level 2. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Investment Valuation for more information.
- (12) For fair value measurement disclosure purposes, \$25 Par (or similar) Preferred Securities categorized as Level 2. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Investment Valuation for more information.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

ADR American Depositary Receipt.

USD-LIBOR United States Dollar-London Inter-Bank Offered Rate.

*See accompanying notes to financial statements.*

Nuveen Investments

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## Statement of

## ASSETS &amp; LIABILITIES

June 30, 2012 (Unaudited)

<b>Assets</b>	
Investments, at value (cost \$219,530,638)	\$ 226,893,504
Cash	733,002
Receivables:	
Dividends	542,799
Interest	366,183
Investments sold	80,797
Matured senior loans	223,147
Reclaims	53,679
Other assets	32,445
Total assets	228,925,556
<b>Liabilities</b>	
Borrowings	67,900,000
Call options written, at value (premiums received \$602,469)	467,221
Unrealized depreciation on interest rate swaps	1,159,242
Payables:	
Common share dividends	2,927,033
Investments purchased	392,185
Unfunded senior loans	287,500
Accrued expenses:	
Interest on borrowings	7,830
Management fees	156,615
Other	103,810
Total liabilities	73,401,436
Net assets applicable to Common shares	\$ 155,524,120
Common shares outstanding	13,848,505
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 11.23
<b>Net assets applicable to Common shares consist of:</b>	
Common shares, \$.01 par value per share	\$ 138,485
Paid-in surplus	243,370,922
Undistributed (Over-distribution of) net investment income	(3,384,880)
Accumulated net realized gain (loss)	(90,939,301)
Net unrealized appreciation (depreciation)	6,338,894
Net assets applicable to Common shares	\$ 155,524,120
Authorized shares:	
Common	Unlimited
Fund Preferred	Unlimited

See accompanying notes to financial statements.



## Statement of

## OPERATIONS

Six Months Ended June 30, 2012 (Unaudited)

<b>Investment Income</b>	
Dividends (net of foreign tax withheld of \$142,809)	\$ 2,844,556
Interest	1,482,986
Other	29,369
Total investment income	4,356,911
<b>Expenses</b>	
Management fees	996,104
Interest expense on borrowings	490,964
Shareholders' servicing agent fees and expenses	843
Custodian's fees and expenses	41,686
Trustees' fees and expenses	3,555
Professional fees	23,315
Shareholders' reports printing and mailing expenses	52,209
Stock exchange listing fees	4,203
Investor relations expense	22,947
Other expenses	8,049
Total expenses before custodian fee credit and expense reimbursement	1,643,875
Custodian fee credit	(8)
Expense reimbursement	(15,388)
Net expenses	1,628,479
Net investment income (loss)	2,728,432
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) from:	
Investments	264,976
Call options written	873,239
Interest rate swaps	(229,470)
Change in net unrealized appreciation (depreciation) of:	
Investments	6,240,309
Call options written	(84,516)
Interest rate swaps	(65,772)
Net realized and unrealized gain (loss)	6,998,766
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 9,727,198

*See accompanying notes to financial statements.*



## Statement of

## CHANGES in NET ASSETS (Unaudited)

	<b>Six Months Ended 6/30/12</b>	<b>Year Ended 12/31/11</b>
<b>Operations</b>		
Net investment income (loss)	\$ 2,728,432	\$ 5,049,392
Net realized gain (loss) from:		
Investments	264,976	41,011
Call options written	873,239	1,495,405
Interest rate swaps	(229,470)	(366,793)
Change in net unrealized appreciation (depreciation) of:		
Investments	6,240,309	(12,125,906)
Call options written	(84,516)	435,726
Interest rate swaps	(65,772)	(1,093,470)
Net increase (decrease) in net assets applicable to Common shares from operations	9,727,198	(6,564,635)
<b>Distributions to Common Shareholders</b>		
From and in excess of net investment income	(6,093,342)	
From net investment income		(5,537,134)
Return of capital		(6,944,101)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(6,093,342)	(12,481,235)
<b>Capital Share Transactions</b>		
Common shares repurchased and retired		(284,003)
Net increase (decrease) in net assets applicable to Common shares from capital share transactions		(284,003)
Net increase (decrease) in net assets applicable to Common shares	3,633,856	(19,329,873)
Net assets applicable to Common shares at the beginning of period	151,890,264	171,220,137
Net assets applicable to Common shares at the end of period	\$ 155,524,120	\$ 151,890,264
Undistributed (Over-distribution of) net investment income at the end of period	\$ (3,384,880)	\$ (19,970)

See accompanying notes to financial statements.



## Statement of

## CASH FLOWS

Six Months Ended June 30, 2012 (Unaudited)

<b>Cash Flows from Operating Activities:</b>	
<b>Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations</b>	\$ 9,727,198
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:	
Purchases of investments	(48,742,198)
Proceeds from sales and maturities of investments	45,620,351
Proceeds from (Purchases of) short-term investments, net	5,138,397
Proceeds from (Payments for) interest rate swap contracts, net	(229,470)
Premiums received for call options written	1,240,723
Cash paid for terminated call options written	(150,629)
Amortization (Accretion) of premiums and discounts, net	(93,130)
(Increase) Decrease in:	
Receivable for dividends	85,927
Receivable for interest	(39,425)
Receivable for investments sold	111,328
Receivable for matured senior loans	(29,369)
Receivable for reclaims	(9,403)
Other assets	(7,388)
(Increase) Decrease in:	
Payable for investments purchased	(1,981,718)
Accrued interest on borrowings	2,031
Unfunded senior loans	287,500
Accrued management fees	12,238
Accrued other expenses	4,361
Net realized (gain) loss from:	
Investments	(264,976)
Call options written	(873,239)
Interest rate swaps	229,470
Paydowns	(77,979)
Change in net unrealized (appreciation) depreciation of:	
Investments	(6,240,309)
Call options written	84,516
Interest rate swaps	65,772
Proceeds from litigation settlement	7,251
Net cash provided by (used in) operating activities	3,877,830
<b>Cash Flows from Financing Activities:</b>	
Cash distributions paid to Common shareholders	(3,166,309)
Net cash provided by (used in) financing activities	(3,166,309)
<b>Net Increase (Decrease) in Cash</b>	711,521
Cash at the beginning of period	21,481
<b>Cash at the End of Period</b>	\$ 733,002

**Supplemental Disclosure of Cash Flow Information**

Cash paid for interest on borrowings (excluding borrowing costs) during the six months ended June 30, 2012, was \$468,933.

*See accompanying notes to financial statements.*

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Financial

HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

Beginning Common Share Value	Net Investment Income (Loss)(a)	Investment Operations Distributions			Net Investment Income to Common Shareholders	Less Distributions			Discount from Common Shares Repurchased and Retired	
		Realized/Unrealized Gain (Loss)(b)	Income to Fund Shareholders(c)	Capital Gains to Preferred Shareholders(c)		Capital Gains to Common Shareholders	Return of Capital to Common Shareholders			
Net Asset Value	(Loss)	(Loss)	holders(c)	Shareholders(c)	Total	Shareholders	Shareholders	Shareholders	Total	Retired
Year Ended 12/31:										
2012	\$ .20	\$ .50	\$	\$	\$ 0.70	\$ (.44)**	\$	\$	\$ (.44)	\$
2011	12.34	.36	(.83)		(0.47)	(.40)		(.50)	(.90)	*
2010	1.63	.27	1.38		1.65	(.94)			(.94)	
2009	9.42	.40	2.75	(.02)	3.13	(.38)		(.55)	(.93)	.01
2008	23.54	.77	(13.06)	(.12)	(12.41)	(.70)	(.21)	(.80)	(1.71)	
2007	25.98	.90	(1.22)	(.05)	(.11)	(.48)	(.82)	(1.14)	(1.96)	
Fund Notes at the End of Period										
Aggregate Outstanding (000)	Average Market Value Per \$25,000 of Principal Amount	Asset Coverage Per \$1,000 of Principal Amount	Aggregate Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Outstanding (000)	Asset Coverage Per \$1,000			
Year Ended 12/31:										
2012 (h)	\$	\$	\$	\$	\$	\$ 67,900	\$ 3,290			
2011						67,900	3,237			
2010						52,600	4,255			
2009						52,600	4,069			
2008			28,850	25,000	138,992	35,000	5,583			
2007	78,000	25,000	5,789	45,000	25,000	207,531	33,000	14,684		

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) Net of federal corporate income taxes on long-term capital gains retained by the Fund per share as follows:

Long-Term  
Capital Gains  
Retained

Year Ended	
12/31:	
2012(h)	N/A
2011	N/A
2010	N/A
2009	N/A
2008	N/A
2007	\$ .21

(c) The amounts shown are based on Common share equivalents.

(d) • Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period takes place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

					Ratios/Supplemental Data			
					Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(e)	Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(e)(f)		
Total Returns								
Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value(d)	Based on Common Share Net Asset Value(d)	Ending Net Assets Applicable to Common Shares (000)	Expenses	Net Investment Income (Loss)	Expenses	Net Investment Income (Loss)
Year Ended 12/31:								
2012(h)	\$ 10.08	9.87%	6.23%	\$ 155,524	2.05%***	3.38%***	2.03%***	3.40%***
2011	10.97	9.56	(7.48)	151,890	1.85	2.96	1.73	3.08
2010	12.34	11.24	14.73	171,220	1.77	2.14	1.55	2.36
2009	11.63	10.66	56.47	161,404	1.86	3.71	1.53	4.04
2008	9.42	7.58	(60.54)	131,546	3.74	4.03	3.24	4.53
2007	23.54	21.81	(12.99)	328,557	3.10	2.99	2.64	3.45

• The Fund elected to retain a portion of its realized long-term capital gains for the following tax years ended December 31, (which is the fiscal year end for the Fund) and pay required federal corporate income taxes on these amounts. As reported on Form 2439, Common shareholders on record date must include their pro-rata share of these gains on their applicable federal tax returns, and are entitled to take offsetting tax credits, for their pro-rata share of the taxes paid by the Fund. The standardized total returns shown above do not include the economic benefit to Common shareholders on record date of these tax credits/refunds. The Fund's corresponding Total Returns Based on Market Value and Common Share Net Asset Value when these benefits are included are as follows:

Year Ended 12/31:	Total Returns		
	Common Shareholders of Record on	Based on Market Value	Based on Common Share Net Asset Value
2012(h)	N/A	9.87%	6.23%
2011	N/A	(7.48)	(3.87)
2010	N/A	14.73	14.99
2009	N/A	56.47	35.50
2008	N/A	(60.54)	(55.29)
2007	December 31	(12.18)	(1.54)

(e) • Ratios do not reflect the effect of dividend payments to FundPreferred shareholders, where applicable.

• Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to FundPreferred Shares, FundNotes and/or borrowings, where applicable.



• Each Ratio of Expenses to Average Net Assets Applicable to Common Shares and each Ratio of Net Investment Income (Loss) to Average Net Assets Applicable to Common Shares includes the effect of interest expense paid on FundNotes and all interest expense and other costs related to borrowings, where applicable as follows:

Year Ended 12/31:	Ratios of FundNotes Interest Expense to Average Net Assets Applicable Common Shares(g)	Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares
2012(h)	%	.61%***
2011		.48
2010		.45
2009		.44
2008	1.12	1.00
2007	1.11	.51

(f) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of January 31, 2012, the Adviser is no longer reimbursing the Fund for any fees or expenses.

(g) The Fund redeemed all \$78 million of its outstanding FundNotes during the fiscal year ended December 31, 2008.

(h) For the six months ended June 30, 2012.

N/A Not applicable for the six months ended June 30, 2012. The Fund had no retained capital gains for the tax years ended December 31, 2011 through December 31, 2008.

\* Rounds to less than \$.01 per share.

\*\* Represents distributions paid "From and in excess of net investment income" for the six months ended June 30, 2012.

\*\*\* Annualized.

*See accompanying notes to financial statements.*



Notes to

FINANCIAL STATEMENTS (Unaudited)

## 1. General Information and Significant Accounting Policies

### General Information

Nuveen Tax-Advantaged Total Return Strategy Fund (the "Fund") is a closed-end registered investment company registered under the Investment Company Act of 1940, as amended. The Fund's Common shares are listed on the New York Stock Exchange ("NYSE") and trade under the ticker symbol "JTA." The Fund was organized as a Massachusetts business trust on October 1, 2003.

The Fund's investment objective is to achieve a high level of after-tax total return consisting primarily of tax-advantaged dividend income and capital appreciation by investing primarily in a portfolio of dividend-paying common stocks that the Fund believes at the time of investment are eligible to pay dividends that may be eligible for favorable federal income taxation at rates applicable to long-term capital gains ("tax-advantaged dividends"). The Fund also invests, to a more limited extent, in preferred securities that are eligible to pay tax-advantaged dividends, as well as in senior loans (both secured and unsecured), domestic corporate bonds, notes and debentures, convertible debt securities and other similar types of corporate instruments, including high-yield debt securities, that are not eligible to pay tax-advantaged dividends. The qualified dividend income provisions of the federal tax code are set to expire on December 31, 2012. In the event that Congress does not extend these provisions, beginning in calendar 2013, dividends previously referred to as "qualified dividends" would be taxed at normal marginal tax rates.

### Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

#### *Investment Valuation*

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1 for fair value measurement purposes. Securities primarily traded on the NASDAQ National Market ("NASDAQ") are valued, except as indicated below, at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2. Prices of certain American Depositary Receipts ("ADR") held by the Fund that trade in the United States are valued based on the last traded price, official closing price, or the most recent bid price of the underlying non-U.S.-traded stock, adjusted as appropriate for the underlying-to-ADR conversion ratio and foreign exchange rate, and from time-to-time may also be adjusted further to take into account material events that may take place after the close of the local non-U.S. market but before the close of the NYSE. These securities may represent a transfer from a Level 1 to a Level 2 security.

Prices of fixed-income securities and interest rate swap contracts are provided by a pricing service approved by the Fund's Board of Trustees. These securities are generally classified as Level 2. The pricing

service establishes a security's fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer, or market activity provided by Nuveen Fund Advisors, Inc. (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"). These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Like most fixed-income instruments, the senior and subordinated loans in which the Fund invests are not listed on an organized exchange. The secondary market of such investments may be less liquid relative to markets for other fixed-income securities. Consequently, the value of senior and subordinated loans, determined as described above, may differ significantly from the value that would have been determined had there been an active market for that senior loan. These securities are generally classified as Level 2.

The value of exchange-traded options are based on the mean of the closing bid and ask prices. Exchange-traded options are generally classified as Level 1. Options traded in the over-the-counter market are valued using an evaluated mean price and are generally classified as Level 2.

Repurchase agreements are valued at contract amount plus accrued interest, which approximates market value. These securities are generally classified as Level 2.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Fund's Board of Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of the Fund's net asset value (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Fund's Board of Trustees or its designee.

Refer to Footnote 2 Fair Value Measurements for further details on the leveling of securities held by the Fund as of the end of the reporting period.

#### *Investment Transactions*

Investment transactions are recorded on a trade date basis. Trade date for senior and subordinated loans purchased in the "primary market" is considered the date on which the loan allocations are determined. Trade date for senior and subordinated loans purchased in the "secondary market" is the date on which the transaction is entered into. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Fund has instructed the custodian to earmark securities in the Fund's portfolio with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At June 30, 2012, the Fund had no such outstanding purchase commitments.

#### *Investment Income*

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which reflects the amortization of premiums and includes accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also reflects paydown

gains and losses and fee income, if any. Fee income consists primarily of amendment fees. Amendment fees are earned as compensation for evaluating and accepting changes to an original senior loan agreement and are recognized when received.

#### *Income Taxes*

The Fund intends to distribute substantially all of its investment company taxable income to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. In any year when the Fund realizes net capital gains, the Fund may choose to distribute all or a portion of its net capital gains to shareholders, or alternatively, to retain all or a portion of its net capital gains and pay federal corporate income taxes on such retained gains.

For all open tax years and all major taxing jurisdictions, management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

#### *Dividends and Distributions to Common Shareholders*

Distributions to Common shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

The Fund makes quarterly cash distributions to Common shareholders of a stated dollar amount per share. Subject to approval and oversight by the Fund's Board of Trustees, the Fund seeks to maintain a stable distribution level designed to deliver the long-term return potential of the Fund's investment strategy through regular quarterly distributions (a "Managed Distribution Program"). Total

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

distributions during a calendar year generally will be made from the Fund's net investment income, net realized capital gains and net unrealized capital gains in the Fund's portfolio, if any. The portion of distributions paid attributed to net unrealized gains, if any, is distributed from the Fund's assets and is treated by shareholders as a non-taxable distribution ("Return of Capital") for tax purposes. In the event that total distributions during a calendar year exceed the Fund's total return on net asset value, the difference will reduce net asset value per share. If the Fund's total return on net asset value exceeds total distributions during a calendar year, the excess will be reflected as an increase in net asset value per share. The final determination of the source and character of all distributions for the fiscal year are made after the end of the fiscal year and are reflected in the financial statements contained in the annual report as of December 31 each year.

The actual character of distributions made by the Fund during the fiscal year ended December 31, 2011, is reflected in the accompanying statements.

The distributions made by the Fund during the six months ended June 30, 2012, are provisionally classified as being "From and in excess of net investment income," and those distributions will be classified as being from net investment income, net realized capital gains and/or a return of capital for tax purposes after the fiscal year end. For purposes of calculating "Undistributed (Over-distribution of) net investment income" as of June 30, 2012, the distribution amounts provisionally classified as "From and in excess of net investment income" were treated as being entirely from net investment income. Consequently, the financial statements at June 30, 2012, reflect an over-distribution of net investment income.

*FundPreferred Shares*

The Fund is authorized to issue auction rate preferred ("FundPreferred") shares. During the fiscal year ended December 31, 2009, the Fund redeemed all \$45,000,000 of its outstanding FundPreferred shares, at liquidation value.

*Matured Senior Loans*

The Fund may hold senior loans which have matured prior to the end of the current fiscal period. The net realizable value for matured senior loans is recognized on the Statement of Assets and Liabilities as a component of "Receivable for matured senior loans." The net increase or decrease in the net realizable value of the receivable for matured senior loans during the fiscal period is recognized on the Statement of Operations as a component of "Other income" or "Other expenses," respectively, as applicable.

*Options Transactions*

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives and is authorized to purchase and write (sell) call and put options on securities, futures, swaps ("swaptions") or currencies, in an attempt to manage such risk. The purchase of options involves the risk of loss of all or a part of the cash paid for the options (the premium). The market risk associated with purchasing options is limited to the premium paid. The counterparty credit risk of purchasing options, however, needs also to take into account the current value of the option, as this is the performance expected from the counterparty. When the Fund purchases an option, an amount equal to the premium paid (the premium plus commission)

is recognized as a component of "Call and/or Put options purchased, at value" on the Statement of Assets and Liabilities. When the Fund writes an option, an amount equal to the net premium received (the premium less commission) is recognized as a component of "Call and/or Put options written, at value" on the Statement of Assets and Liabilities and is subsequently adjusted to reflect the current value of the written option until the option is exercised or expires or the Fund enters into a closing purchase transaction. The changes in the value of options purchased during the fiscal period are recognized as a component of "Change in net unrealized appreciation (depreciation) of call and/or put options purchased" on the Statement of Operations. The changes in the value of options written during the fiscal period are recognized as a component of "Change in net unrealized appreciation (depreciation) of call and/or put options written" on the Statement of Operations. When an option is exercised or expires or the Fund enters into a closing purchase transaction, the difference between the net premium received and any amount paid at expiration or on executing a closing purchase transaction, including commission, is recognized as a component of "Net realized gain (loss) from call/put options purchased and/or written" on the Statement of Operations. The Fund, as a writer of an option, has no control over whether the underlying instrument may be sold (called) or purchased (put) and as a result bears the risk of an unfavorable change in the market value of the instrument underlying the written option. There is also the risk the Fund may not be able to enter into a closing transaction because of an illiquid market.

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During the six months ended June 30, 2012, the Fund wrote covered call options on individual stocks held in its portfolio to enhance returns while foregoing some upside potential of its equity portfolio.

The Fund did not purchase call or put options or write put options during the six months ended June 30, 2012. The average notional amount of call options written during the six months ended June 30, 2012, was as follows:

Average notional amount of call options written*	\$ (10,561,900)
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\* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal year and at the end of each fiscal quarter within the current fiscal year.

Refer to Footnote 3 Derivative Instruments and Hedging Activities and Footnote 5 Investment Transactions for further details on options activity.

#### *Interest Rate Swap Contracts*

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives and is authorized to invest in interest rate swap transactions in an attempt to manage such risk. The Fund's use of interest rate swap contracts is intended to mitigate the negative impact that an increase in short-term interest rates could have on Common share net earnings as a result of leverage. Interest rate swap contracts involve the Fund's agreement with the counterparty to pay or receive a fixed rate payment in exchange for the counterparty receiving or paying a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Fund Preferred shares or any variable rate borrowing. The payment obligation is based on the notional amount of the interest rate swap contract. Interest rate swap contracts do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the net amount of interest payments that the Fund is to receive. Interest rate swap positions are valued daily. The Fund accrues the fixed rate payment expected to be paid or received and the variable rate payment expected to be received or paid on interest rate swap contracts on a daily basis, and recognizes the daily change in the fair value of the Fund's contractual rights and obligations under the contracts. The net amount recorded for these transactions for each counterparty is recognized on the Statement of Assets and Liabilities as a component of "Unrealized appreciation or depreciation on interest rate swaps (, net)" with the change during the fiscal period recognized on the Statement of Operations as a component of "Change in net unrealized appreciation (depreciation) of interest rate swaps." Income received or paid by the Fund is recognized as a component of "Net realized gain (loss) from interest rate swaps" on the Statement of Operations, in addition to the net realized gains or losses recognized upon the termination of an interest rate swap contract and are equal to the difference between the Fund's basis in the interest rate swap and the proceeds from (or cost of) the closing transaction. Payments received or made at the beginning of the measurement period, if any, are recognized as a component of "Interest rate swap premiums paid and/or received" on the Statement of Assets and Liabilities. For tax purposes, periodic payments are treated as ordinary income or expense.

During the six months ended June 30, 2012, the Fund was entered into interest rate swap contracts to partially fix the interest cost of leverage, which the Fund uses through the use of bank borrowings.

The average notional amount of interest rate swap contracts outstanding during the six months ended June 30, 2012, was as follows:

Average notional amount of interest rate swap contracts outstanding*	\$ 32,608,333
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\* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal year and at the end of each fiscal quarter within the current fiscal year.

Refer to Footnote 3 Derivative Instruments and Hedging Activities for further details on interest rate swap contract activity.

*Market and Counterparty Credit Risk*

In the normal course of business the Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose the Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of the Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose the Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

The Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of the Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when the Fund has an unrealized loss, the Fund has instructed the custodian to pledge assets of the Fund as collateral with a value

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

#### *Repurchase Agreements*

In connection with transactions in repurchase agreements, it is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the counterparty defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

#### *Zero Coupon Securities*

The Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

#### *Custodian Fee Credit*

The Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on the Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which the Fund overdraws its account at the custodian bank.

#### *Indemnifications*

Under the Fund's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

## **2. Fair Value Measurements**

Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

**Level 1** Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

**Level 2** Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3** Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
<b>Long-Term Investments*:</b>				
Common Stocks	\$ 158,660,103	\$ 407,092	\$	\$ 159,067,195
Convertible Preferred Securities	787,500			787,500
\$25 Par (or similar) Preferred Securities	7,584,769	4,273,951		11,858,720
Variable Rate Senior Loan Interests		47,820,884		47,820,884
Capital Preferred Securities		2,423,655		2,423,655
<b>Short-Term Investments:</b>				
Repurchase Agreements		4,935,550		4,935,550
<b>Derivatives:</b>				
Call Options Written	(467,221)			(467,221)
Interest Rate Swaps**		(1,159,242)		(1,159,242)
<b>Total</b>	<b>\$ 166,565,151</b>	<b>\$ 58,701,890</b>	<b>\$</b>	<b>\$ 225,267,041</b>

\* Refer to the Fund's Portfolio of Investments for industry classifications and breakdown of Common Stocks and \$25 Par (or similar) Preferred Securities classified as Level 2.

\*\* Represents net unrealized appreciation (depreciation) as reported in the Fund's Portfolio of Investments.

The Nuveen funds' Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds' pricing policies, and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser's dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors/Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board of Directors/Trustees.

### **3. Derivative Instruments and Hedging Activities**

The Fund records derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Fund's investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. For additional information on the derivative instruments in which the Fund was invested during and at the end of the reporting period, refer to the Portfolio of Investments, Financial Statements and Footnote 1 General Information and Significant Accounting Policies.

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

The following table presents the fair value of all derivative instruments held by the Fund as of June 30, 2012, the location of these instruments on the Statement of Assets and Liabilities, and the primary underlying risk exposure.

Underlying Risk Exposure	Derivative Instrument	Location on the Statement of Assets and Liabilities	
		Asset Derivatives	Liability Derivatives
		Location	Value
Equity Price	Options		\$
		Call options written, at value	\$ (467,221)
		Unrealized depreciation on interest rate swaps	(1,159,242)
Interest Rate	Swaps		\$
Total			\$ (1,626,463)

The following tables present the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized for the six months ended June 30, 2012, on derivative instruments, as well as the primary risk exposure associated with each.

**Net Realized Gain (Loss) from Call Options Written****Risk Exposure**

Equity Price \$ 873,239

**Net Realized Gain (Loss) from Interest Rate Swaps****Risk Exposure**

Interest Rate \$ (229,470)

**Change in Net Unrealized Appreciation (Depreciation) of Call Options Written****Risk Exposure**

Equity Price \$ (84,516)

**Change in Net Unrealized Appreciation (Depreciation) of Interest Rate Swaps****Risk Exposure**

Interest Rate \$ (65,772)

**4. Fund Shares***Common Shares*

Transactions in Common shares were as follows:

Six Months Ended	Year Ended 12/31/11
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6/30/12

Common shares repurchased and retired		(30,062)
Weighted average:		
Price per Common share repurchased and retired	\$	\$ 9.43
Discount per Common share repurchased and retired		14.39%

## 5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the six months ended June 30, 2012, aggregated \$48,742,198 and \$45,620,351, respectively.

Nuveen Investments  
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Transactions in call options written during the six months ended June 30, 2012, were as follows:

	<b>Number of Contracts</b>	<b>Premiums Received</b>
Options outstanding, beginning of the period	1,350	\$ 385,614
Options written	10,306	1,240,723
Options terminated in closing purchase transactions	(2,026)	(397,471)
Options exercised	(1,805)	(336,615)
Options expired	(1,676)	(289,782)
Options outstanding, end of the period	6,149	\$ 602,469

## 6. Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, recognition of premium amortization and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At June 30, 2012, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives), as determined on a federal income tax basis, were as follows:

Cost of investments	\$ 222,096,765
Gross unrealized:	
Appreciation	\$ 20,988,929
Depreciation	(16,192,190)
Net unrealized appreciation (depreciation) of investments	\$ 4,796,739

Permanent differences, primarily due to paydowns and tax basis earnings and profits adjustments, resulted in reclassifications among the Fund's components of Common share net assets at December 31, 2011, the Fund's last tax year end, as follows:

Paid-in-surplus	\$ (1,256,953)
Undistributed (Over-distribution) of net investment income	545,469
Accumulated net realized gain (loss)	711,484

The tax components of undistributed net ordinary income and net long-term capital gains at December 31, 2011, the Fund's last tax year end, were as follows:

Undistributed net ordinary income	\$
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Undistributed net long-term capital gains

The tax character of distributions paid during the Fund's last tax year ended December 31, 2011, was designated for purposes of the dividends paid deduction as follows:

Distributions from net ordinary income*	\$ 5,537,134
Distributions from net long-term capital gains	
Return of capital	6,944,101

\* Net ordinary income consists of net taxable income derived from dividends and interest, and current year earnings and profits attributable to realized gains.

At December 31, 2011, the Fund's last tax year end, the Fund had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

Expiration:	
December 31, 2016	\$ 57,123,966
December 31, 2017	32,157,951
Total	\$ 89,281,917

During the last tax year ended December 31, 2011, the Fund utilized \$1,256,953 of its capital loss carryforwards.

Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Fund after December 31, 2010, will not be subject to expiration. During the Fund's last tax year ended December 31, 2011, there were no post-enactment capital losses generated.

**7. Management Fees and Other Transactions with Affiliates**

The Fund's management fee consists of two components a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

enables Fund shareholders to benefit from growth in the assets within their Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual fund-level fee, payable monthly, is calculated according to the following schedule:

<b>Average Daily Managed Assets *</b>	<b>Fund-Level Fee Rate</b>
For the first \$500 million	.7000%
For the next \$500 million	.6750
For the next \$500 million	.6500
For the next \$500 million	.6250
For managed assets over \$2 billion	.6000

The annual complex-level fee, payable monthly, is calculated according to the following schedule:

<b>Complex-Level Managed Asset Breakpoint Level *</b>	<b>Effective Rate at Breakpoint Level</b>
\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1691
\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

\* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen Funds that constitute "eligible assets". Eligible assets do not include assets attributable to investments in other Nuveen Funds or assets in excess of \$2 billion added to the Nuveen Fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of June 30, 2012, the complex-level fee rate for the Fund was .1731%.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser is responsible for the Fund's overall investment strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with NWQ Investment Management Company, LLC ("NWQ") and Symphony Asset Management LLC ("Symphony"), each an affiliate of Nuveen. The Adviser is responsible for overseeing the Fund's investments in interest rate swap contracts. NWQ manages the portion of the Fund's investment portfolio allocated to dividend-paying common and preferred stocks, including ADRs and the Fund's options strategy. Symphony manages the portion of the Fund's investment portfolio allocated to senior loans and other debt instruments. NWQ and Symphony are compensated for their services to the Fund from the management fees paid to the Adviser.

The Fund pays no compensation directly to those of its trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Fund from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

For the first eight years of the Fund's operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily managed assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending January 31,		Year Ending January 31,	
2004*	.32%	2009	.32%
2005	.32	2010	.24
2006	.32	2011	.16
2007	.32	2012	.08
2008	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse the Fund for any portion of its fees and expenses beyond January 31, 2012.

## 8. Senior Loan Commitments

### *Unfunded Commitments*

Pursuant to the terms of certain of the variable rate senior loan agreements, the Fund may have unfunded senior loan commitments. The Fund will maintain with its custodian, cash, liquid securities and/or liquid senior loans having an aggregate value at least equal to the amount of unfunded senior loan commitments. At June 30, 2012, the Fund had \$500,000 in unfunded senior loan commitments.

### *Participation Commitments*

With respect to the senior loans held in the Fund's portfolio, the Fund may: 1) invest in assignments; 2) act as a participant in primary lending syndicates; or 3) invest in participations. If the Fund purchases a participation of a senior loan interest, the Fund would typically enter into a contractual agreement with the lender or other third party selling the participation, rather than directly with the borrower. As such, the Fund not only assumes the credit risk of the borrower, but also that of the selling participant or other persons interpositioned between the Fund and the borrower. At June 30, 2012, there were no such outstanding participation commitments.

## 9. Borrowing Arrangements

The Fund has entered into \$77 million (maximum commitment amount) prime brokerage facility with BNP Paribas Prime Brokerage, Inc. ("BNP") as a means of financial leverage. On May 25, 2012, the Fund increased its maximum commitment amount from \$69 million to \$77 million. As of June 30, 2012, the Fund's outstanding balance on these borrowings was \$67.9 million. During the six months ended June 30, 2012, the average daily balance outstanding and average annual interest rate on these borrowings were \$67.9 million and 1.34%, respectively.

In order to maintain this borrowing facility, the Fund must meet certain collateral, asset coverage and other requirements. Borrowings outstanding are fully secured by securities held in the Fund's portfolio of investments. Interest is charged on these borrowings at 3-Month LIBOR (London Inter-bank Offered Rate)

plus .85% on the amount borrowed and .50% on the undrawn balance. The Fund also incurred a one-time .25% amendment fee on each increase to the maximum commitment amount, which was fully expensed during the current reporting period.

Effective January 9, 2012, interest charged on the amount borrowed changed from 3-Month LIBOR plus .95% to 3-Month LIBOR plus .85%. All other terms remain unchanged.

Borrowings outstanding are recognized as "Borrowings" on the Statement of Assets and Liabilities. Interest expense incurred on the borrowed amount and undrawn balance and the one-time amendment fee are recognized as a component of "Interest expense on borrowings" on the Statement of Operations.

## **10. New Accounting Pronouncements**

### *Financial Accounting Standards Board ("FASB") Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*

In December 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-11 ("ASU No. 2011-11") to enhance disclosures about financial instruments and derivative instruments that are subject to offsetting ("netting") on the Statement of Assets and Liabilities. This information will enable users of the entity's financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. ASU No. 2011-11 is effective prospectively during interim or annual periods beginning on or after January 1, 2013. At this time, management is evaluating the implications of this guidance and the impact it will have to the financial statements amounts and footnote disclosures, if any.



Annual Investment Management  
Agreement Approval Process (Unaudited)

The Board of Trustees (the "*Board*" and each Trustee, a "*Board Member*") of the Fund, including the Board Members who are not parties to the Fund's advisory or sub-advisory agreements or "interested persons" of any such parties (the "*Independent Board Members*"), is responsible for approving the advisory agreement (the "*Investment Management Agreement*") between the Fund and Nuveen Fund Advisors, Inc. (the "*Advisor*") and the sub-advisory agreements (each, a "*Sub-Advisory Agreement*") between (a) the Advisor and NWQ Investment Management Company, LLC ("*NWQ*"), and (b) the Advisor and Symphony Asset Management LLC ("*Symphony*" and, together with NWQ, the "*Sub-Advisors*") (the Investment Management Agreement and the Sub-Advisory Agreements are referred to collectively as the "*Advisory Agreements*") and their periodic continuation. Pursuant to the Investment Company Act of 1940, as amended (the "*1940 Act*"), the Board is required to consider the continuation of the Advisory Agreements on an annual basis. Accordingly, at an in-person meeting held on May 21-23, 2012 (the "*May Meeting*"), the Board, including a majority of the Independent Board Members, considered and approved the continuation of the Advisory Agreements for the Fund for an additional one-year period.

In preparation for their considerations at the May Meeting, the Board requested and received extensive materials prepared in connection with the review of the Advisory Agreements. The materials provided a broad range of information regarding the Fund, the Advisor and the Sub-Advisors (the Advisor and the Sub-Advisors are collectively, the "*Fund Advisers*" and each, a "*Fund Adviser*"). As described in more detail below, the information provided included, among other things, a review of Fund performance, including Fund investment performance assessments against peer groups and appropriate benchmarks, a comparison of Fund fees and expenses relative to peers, a description and assessment of shareholder service levels for the Fund, a summary of the performance of certain service providers, a review of product initiatives and shareholder communications and an analysis of the Advisor's profitability with comparisons to comparable peers in the managed fund business. As part of their annual review, the Board also held a separate meeting on April 18-19, 2012, to review the Fund's investment performance and consider an analysis provided by the Advisor of the Sub-Advisors which generally evaluated the Sub-Advisors' investment teams, investment mandate, organizational structure and history, investment philosophy and process, performance of the Fund, and significant changes to the foregoing. As a result of their review of the materials and discussions, the Board presented the Advisor with questions and the Advisor responded.

The materials and information prepared in connection with the annual review of the Advisory Agreements supplement the information and analysis provided to the Board



during the year. In this regard, throughout the year, the Board, acting directly or through its committees, regularly reviews the performance and various services provided by the Advisor and the Sub-Advisors. The Board meets at least quarterly as well as at other times as the need arises. At its quarterly meetings, the Board reviews reports by the Advisor which include, among other things, Fund performance, a review of the investment teams and reports on compliance, regulatory matters and risk management. The Board also meets with key investment personnel managing the Fund portfolios during the year. In October 2011, the Board also created two new standing committees (the Open-end Fund Committee and the Closed-end Fund Committee) to assist the full Board in monitoring and gaining a deeper insight into the distinctive issues and business practices of open-end and closed-end funds.

In addition, the Board continues its program of seeking to have the Board Members or a subset thereof visit each sub-advisor to the Nuveen funds at least once over a multiple year rotation, meeting with key investment and business personnel. In this regard, the Independent Board Members made a site visit to NWQ in February 2011 during which Symphony also gave a presentation. Further, an ad hoc committee of the Board visited the then-current transfer agents of the Nuveen funds in 2011 and the audit committee of the Board visited the various pricing agents for the Nuveen funds in January 2012.

The Board considers factors and information that are relevant to its annual consideration of the renewal of the Advisory Agreements at the meetings held throughout the year. Accordingly, the Board considers the information provided and knowledge gained at these meetings when performing its annual review of the Advisory Agreements. The Independent Board Members are assisted throughout the process by independent legal counsel who provided materials describing applicable law and the duties of directors or trustees in reviewing advisory contracts and met with the Independent Board Members in executive sessions without management present. In addition, it is important to recognize that the management arrangements for the Nuveen funds are the result of many years of review and discussion between the Independent Board Members and fund management and that the Board Members' conclusions may be based, in part, on their consideration of fee arrangements and other factors developed in previous years.

The Board considered all factors it believed relevant with respect to the Fund, including among other factors: (a) the nature, extent and quality of the services provided by the Fund Advisers, (b) the investment performance of the Fund and Fund Advisers, (c) the advisory fees and costs of the services to be provided to the Fund and the profitability of the Fund Advisers, (d) the extent of any economies of scale, (e) any benefits derived by the Fund Advisers from the relationship with the Fund and (f) other factors. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to the Fund's Advisory Agreements. The Independent Board Members did not identify any single factor as all important or controlling. The Independent Board Members' considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

Annual Investment Management Agreement  
Approval Process (Unaudited) (continued)

**A. Nature, Extent and Quality of Services**

In considering renewal of the Advisory Agreements, the Independent Board Members considered the nature, extent and quality of the Fund Adviser's services, including advisory services and the resulting Fund performance and administrative services. The Independent Board Members further considered the overall reputation and capabilities of the Advisor and its affiliates, the commitment of the Advisor to provide high quality service to the Fund, their overall confidence in the Advisor's integrity and the Advisor's responsiveness to questions and concerns raised by them. The Independent Board Members reviewed materials outlining, among other things, the Fund Adviser's organization and business; the types of services that the Fund Adviser or its affiliates provide to the Fund; the performance record of the Fund (as described in further detail below); and any initiatives Nuveen had taken for the applicable fund product line.

In considering advisory services, the Board recognized that the Advisor provides various oversight, administrative, compliance and other services for the Fund and the Sub-Advisors generally provide the portfolio investment management services to the Fund. In reviewing the portfolio management services provided to the Fund, the Board reviewed the materials provided by the Nuveen Investment Services Oversight Team analyzing, among other things, the Sub-Advisors' investment teams and changes thereto, organization and history, assets under management, Fund objectives and mandate, the investment team's philosophy and strategies in managing the Fund, developments affecting a Sub-Advisor or the Fund and the performance of the Fund and the portion of the Fund's portfolio allocated to the respective Sub-Advisor. The Independent Board Members also reviewed portfolio manager compensation arrangements to evaluate each Fund Adviser's ability to attract and retain high quality investment personnel, preserve stability, and reward performance but not provide an inappropriate incentive to take undue risks. In addition, the Board considered the Advisor's execution of its oversight responsibilities over the Sub-Advisors. Given the importance of compliance, the Independent Board Members also considered Nuveen's compliance program, including the report of the chief compliance officer regarding the Fund's compliance policies and procedures; the resources dedicated to compliance; and the record of compliance with the policies and procedures.

In addition to advisory services, the Board considered the quality and extent of administrative and other non-investment advisory services the Advisor and its affiliates provide to the Fund, including product management, investment services (such as oversight of investment policies and procedures, risk management, and pricing), fund administration, oversight of service providers, shareholder services and communications, administration of Board relations, regulatory and portfolio compliance, legal support, managing leverage and promoting an orderly secondary market for common shares. The Board further recognized Nuveen's additional investments in personnel, including in compliance and risk management.

In reviewing the services provided, the Board also reviewed materials describing various notable initiatives and projects the Advisor performed in connection with the closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; efforts to eliminate product overlap with fund mergers;

elimination of the insurance mandate on several funds; ongoing services to manage leverage that has become increasingly complex; continued secondary market offerings, share repurchases and other support initiatives for certain funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. Nuveen's support services included, among other things: continuing communications concerning the refinancing efforts related to auction rate preferred securities; supporting and promoting munifund term preferred shares (MTP) including by launching a microsite dedicated to MTP shares; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the Nuveen funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing a closed-end fund website.

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided to the Fund under each Advisory Agreement were satisfactory.

## **B. The Investment Performance of the Fund and Fund Advisers**

The Board, including the Independent Board Members, reviewed and considered the performance history of the Fund over various time periods. The Board reviewed, among other things, the Fund's historic investment performance as well as information comparing the Fund's performance information with that of other funds (the "*Performance Peer Group*") based on data compiled by Nuveen that was provided by an independent provider of mutual fund data and with recognized and/or customized benchmarks (*i.e.*, benchmarks derived from multiple recognized benchmarks). The Board reviewed reports, including a comprehensive analysis of the Fund's performance and the applicable investment team. In this regard, the Board reviewed the Fund's total return information compared to the returns of its Performance Peer Group and recognized and/or customized benchmarks for the quarter, one-, three- and five-year periods ending December 31, 2011, as well as performance information reflecting the first quarter of 2012. The Independent Board Members also reviewed, among other things, the returns of each sleeve of the Fund relative to the benchmark of such sleeve for the quarter, one- and three-year periods ending December 2011 as well as performance information reflecting the first quarter of 2012.

The Independent Board Members also reviewed historic premium and discount levels, including a summary of actions taken to address or discuss other developments affecting the secondary market discounts of various funds. This information supplemented the fund performance information provided to the Board at each of its quarterly meetings.

In reviewing performance comparison information, the Independent Board Members recognized that the usefulness of the comparisons of the performance of certain funds with the performance of their respective Performance Peer Group may be limited because the Performance Peer Group may not adequately represent the objectives and

Annual Investment Management Agreement  
Approval Process (Unaudited) (continued)

strategies of the applicable funds or may be limited in size or number. The Independent Board Members also noted that the investment experience of a particular shareholder in the Nuveen funds will vary depending on when such shareholder invests in the applicable fund, the class held (if multiple classes are offered in a fund) and the performance of the fund (or respective class) during that shareholder's investment period. In addition, although the performance below reflects the performance results for the time periods ending as of the most recent calendar year end (unless otherwise indicated), the Board also recognized that selecting a different ending time period may derive different results. Furthermore, while the Board is cognizant of the relevant performance of a fund's peer set and/or benchmark(s), the Board evaluated fund performance in light of the respective fund's investment objectives, investment parameters and guidelines and recognized that the objectives, investment parameters and guidelines of peers and/or benchmarks may differ to some extent, thereby resulting in differences in performance results. Nevertheless, with respect to any Nuveen funds that the Board considers to have underperformed their peers and/or benchmarks from time to time, the Board monitors such funds closely and considers any steps necessary or appropriate to address such issues.

In considering the results of the comparisons, the Independent Board Members observed, among other things, that although the Fund lagged its peers over various periods, the Fund outperformed its benchmark in the three-year period and first quarter of 2012.

Based on their review, the Independent Board Members determined that the Fund's investment performance had been satisfactory.

## **C. Fees, Expenses and Profitability**

### **1. Fees and Expenses**

The Board evaluated the management fees and expenses of the Fund reviewing, among other things, the Fund's gross management fees, net management fees and net expense ratios in absolute terms as well as compared to the fee and expenses of a comparable universe of funds provided by an independent fund data provider (the "*Peer Universe*") and any expense limitations.

The Independent Board Members further reviewed the methodology regarding the construction of the applicable Peer Universe. In reviewing the comparisons of fee and expense information, the Independent Board Members took into account that in certain instances various factors such as: the limited size and particular composition of the Peer Universe (including the inclusion of other Nuveen funds in the peer set); expense anomalies; changes in the funds comprising the Peer Universe from year to year; levels of reimbursement or fee waivers; the timing of information used; and the differences in the type and use of leverage may impact the comparative data, thereby limiting somewhat the ability to make a meaningful comparison with peers.

In reviewing the fee schedule for the Fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen



(applicable, in particular, for certain closed-end funds launched since 1999). In reviewing fees and expenses (excluding leverage costs and leveraged assets), the Board considered the expenses and fees to be higher if they were over 10 basis points higher, slightly higher if they were approximately 6 to 10 basis points higher, in line if they were within approximately 5 basis points higher than the peer average and below if they were below the peer average of the Peer Universe. In reviewing the reports, the Board noted that the overwhelming majority of the Nuveen funds were at, close to or below their peer set average based on the net total expense ratio.

The Independent Board Members noted that the Fund had net management fees and a net expense ratio (including fee waivers and expense reimbursements, if any) below its peer averages.

Based on their review of the fee and expense information provided, the Independent Board Members determined that the Fund's management fees were reasonable in light of the nature, extent and quality of services provided to it.

## **2. Comparisons with the Fees of Other Clients**

The Independent Board Members further reviewed information regarding the nature of services and range of fees offered by the Advisor to other clients, including separately managed accounts (both retail and institutional accounts), collective trusts, foreign investment funds offered by Nuveen, and funds that are not offered by Nuveen but are sub-advised by one of Nuveen's investment management teams. In evaluating the comparisons of fees, the Independent Board Members noted that the fee rates charged to the Fund and other clients vary, among other things, because of the different services involved and the additional regulatory and compliance requirements associated with registered investment companies, such as the Fund. Accordingly, the Independent Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Independent Board Members noted, in particular, that the range of services provided to the Fund (as discussed above) is much more extensive than that provided to separately managed accounts. Given the inherent differences in the various products, particularly the extensive services provided to the Fund, the Independent Board Members believe such facts justify the different levels of fees.

In considering the fees of the Sub-Advisors, the Independent Board Members also considered the pricing schedule or fees that each Sub-Advisor charges for similar investment management services for other Nuveen funds, funds of other sponsors (if any), and other clients (such as retail and/or institutional managed accounts), as applicable. With respect to Symphony, the Independent Board Members also reviewed the fees it assesses for equity and taxable fixed-income hedge funds it manages, which include a performance fee.

Annual Investment Management Agreement  
Approval Process (Unaudited) (continued)

**3. Profitability of Fund Advisers**

In conjunction with its review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities and its financial condition. The Independent Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last two calendar years, the allocation methodology used in preparing the profitability data and an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2011. The Independent Board Members noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Independent Board Members noted that they have an Independent Board Member serve as a point person to review and keep them apprised of changes to the profitability analysis and/or methodologies during the year. The Independent Board Members also considered Nuveen's revenues for advisory activities, expenses, and profit margin compared to that of various unaffiliated management firms with comparable assets under management (based on asset size and asset composition).

In reviewing profitability, the Independent Board Members recognized the Advisor's continued investment in its business to enhance its services, including capital improvements to investment technology, updated compliance systems, and additional personnel in compliance, risk management, and product development as well as its ability to allocate resources to various areas of the Advisor as the need arises. In addition, in evaluating profitability, the Independent Board Members also recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Independent Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations. Notwithstanding the foregoing, the Independent Board Members reviewed Nuveen's methodology and assumptions for allocating expenses across product lines to determine profitability. In reviewing profitability, the Independent Board Members recognized Nuveen's investment in its fund business. Based on their review, the Independent Board Members concluded that the Advisor's level of profitability for its advisory activities was reasonable in light of the services provided.

With respect to sub-advisers affiliated with Nuveen, including NWQ and Symphony, the Independent Board Members reviewed the sub-adviser's revenues, expenses and profitability margins (pre- and post-tax) for its advisory activities and the methodology used for allocating expenses among the internal sub-advisers. Based on their review, the Independent Board Members were satisfied that each Sub-Advisor's level of profitability was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Fund as well

as any indirect benefits (such as soft dollar arrangements, if any) the Fund Adviser and its affiliates receive, or are expected to receive, that are directly attributable to the management of the Fund, if any. See Section E below for additional information on indirect benefits a Fund Adviser may receive as a result of its relationship with the Fund. Based on their review of the overall fee arrangements of the Fund, the Independent Board Members determined that the advisory fees and expenses of the Fund were reasonable.

#### **D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale**

With respect to economies of scale, the Independent Board Members have recognized the potential benefits resulting from the costs of a fund being spread over a larger asset base, although economies of scale are difficult to measure and predict with precision, particularly on a fund-by-fund basis. One method to help ensure the shareholders share in these benefits is to include breakpoints in the advisory fee schedule. Generally, management fees for funds in the Nuveen complex are comprised of a fund-level component and a complex-level component, subject to certain exceptions. Accordingly, the Independent Board Members reviewed and considered the applicable fund-level breakpoints in the advisory fee schedules that reduce advisory fees as asset levels increase. Further, the Independent Board Members noted that although closed-end funds may from time-to-time make additional share offerings, the growth of their assets will occur primarily through the appreciation of such funds' investment portfolio.

In addition to fund-level advisory fee breakpoints, the Board also considered the Fund's complex-wide fee arrangement. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex are generally reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular fund are unchanged or have decreased. The approach reflects the notion that some of Nuveen's costs are attributable to services provided to all its funds in the complex and therefore all funds benefit if these costs are spread over a larger asset base. In addition, with the acquisition of the funds previously advised by FAF Advisors, Inc., the Board noted that a portion of such funds' assets at the time of acquisition were deemed eligible to be included in the complex-wide fee calculation in order to deliver fee savings to shareholders in the combined complex and such funds were subject to differing complex-level fee rates.

Based on their review, the Independent Board Members concluded that the breakpoint schedules and complex-wide fee arrangement were acceptable and reflect economies of scale to be shared with shareholders when assets under management increase.

#### **E. Indirect Benefits**

In evaluating fees, the Independent Board Members received and considered information regarding potential "fall out" or ancillary benefits the respective Fund Adviser or its affiliates may receive as a result of its relationship with the Fund. In this regard, the Independent Board Members considered any revenues received by affiliates of the Advisor



Annual Investment Management Agreement  
Approval Process (Unaudited) (continued)

for serving as co-manager in initial public offerings of new closed-end funds as well as revenues received in connection with secondary offerings.

In addition to the above, the Independent Board Members considered whether the Fund Advisers received any benefits from soft dollar arrangements whereby a portion of the commissions paid by the Fund for brokerage may be used to acquire research that may be useful to the Fund Adviser in managing the assets of the Fund and other clients. The Independent Board Members recognized that the Advisor has the authority to pay a higher commission in return for brokerage and research services if it determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided and may benefit from such soft dollar arrangements. In addition, the Independent Board Members considered that NWQ may benefit from its soft dollar arrangements pursuant to which it receives research from brokers that execute the Fund's portfolio transactions. Similarly, the Board recognized that the research received pursuant to soft dollar arrangements by the foregoing Fund Advisers may also benefit the Fund and shareholders to the extent the research enhances the ability of a Fund Adviser to manage the Fund. For the foregoing Fund Advisers with soft dollar arrangements, the Independent Board Members noted that such Fund Advisers' profitability may be somewhat lower if they did not receive the research services pursuant to the soft dollar arrangements and had to acquire such services directly. With respect to Symphony, the Board considered that Symphony currently does not enter into soft dollar arrangements; however, it has adopted a soft dollar policy in the event it does so in the future.

Based on their review, the Independent Board Members concluded that any indirect benefits received by a Fund Adviser as a result of its relationship with the Fund were reasonable and within acceptable parameters.

**F. Other Considerations**

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of each Advisory Agreement are fair and reasonable, that the respective Fund Adviser's fees are reasonable in light of the services provided to the Fund and that the Advisory Agreements be renewed.

Reinvest Automatically,  
Easily and Conveniently

Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

**Nuveen Closed-End Funds Automatic Reinvestment Plan**

Your Nuveen Closed-End Fund allows you to conveniently reinvest distributions in additional Fund shares.

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

**Easy and convenient**

To make recordkeeping easy and convenient, each quarter you'll receive a statement showing your total distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

**How shares are purchased**

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid

Reinvest Automatically,  
Easily and Conveniently (continued)

by Plan participants. These commissions usually will be lower than those charged on individual transactions.

**Flexible**

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

**Call today to start reinvesting distributions**

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

Nuveen Investments  
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Glossary of Terms  
Used in this Report

- **Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- **Collateralized Debt Obligations (CDOs):** Collateralized debt obligations are a type of asset-backed security constructed from a portfolio of fixed-income assets. CDOs usually are divided into different tranches having different ratings and paying different interest rates. Losses, if any, are applied in reverse order of seniority and so junior tranches generally offer higher coupons to compensate for added default risk.
- **Comparative Benchmark:** A blended return comprised of: 1) 56% of the return of the Russell 3000® Value Index, which measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values, 2) 16% of the return of the MSCI EAFE ex-Japan Value Index, a capitalization weighted index that selects the lower 50% of the price-to-book ranked value stocks traded in the developed markets of Europe, Asia and the Far East, excluding Japan, 3) 8% of the return of the Merrill Lynch DRD (dividends received deduction) Preferred Index, which consists of investment-grade, DRD-eligible, exchange-traded preferred stocks with one year or more to maturity, and 4) 20% of the return of the CSFB Leveraged Loan Index, which consists of approximately \$150 billion of tradable term loans with at least one year to maturity and rated BBB or lower. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees.
- **Current Distribution Rate:** An investment's current annualized distribution divided by its current market price.
- **Effective Leverage:** Effective leverage is a Fund's effective economic leverage, and includes both Regulatory Leverage (see below) and the leverage effects of certain derivative investments in the Fund's portfolio that increase the Fund's investment exposure.
- **Leverage:** Using borrowed money to invest in securities or other assets, seeking to increase the return of an investment or portfolio.
- **Net Asset Value (NAV):** The net market value of all securities held in a portfolio.

Glossary of Terms

Used in this Report (continued)

- **Net Asset Value (NAV) Per Share:** The market value of one share of a mutual fund or closed-end fund. For a Fund, the NAV is calculated daily by taking the Fund's total assets (securities, cash, and accrued earnings), subtracting the Fund's liabilities, and dividing by the number of shares outstanding.
- **Regulatory Leverage:** Regulatory Leverage consists of preferred shares issued by or borrowings of a Fund. Both of these are part of the Fund's capital structure. Regulatory Leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set in the Investment Company Act of 1940.
- **S&P 500® Index:** An unmanaged index generally considered representative of the U.S. stock market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

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Additional Fund Information

**Board of Trustees**

John P. Amboian  
Robert P. Bremner  
Jack B. Evans  
William C. Hunter  
David J. Kundert  
William J. Schneider  
Judith M. Stockdale  
Carole E. Stone  
Virginia L. Stringer  
Terence J. Toth

**Fund Manager**

Nuveen Fund Advisors, Inc.  
333 West Wacker Drive  
Chicago, IL 60606

**Custodian**

State Street Bank & Trust Company  
Boston, MA

**Transfer Agent and  
Shareholder Services**

State Street Bank & Trust Company  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071  
(800) 257-8787

**Legal Counsel**

Chapman and Cutler LLP  
Chicago, IL

**Independent Registered  
Public Accounting Firm**

Ernst & Young LLP  
Chicago, IL

**Quarterly Portfolio of Investments and Proxy Voting Information**

You may obtain (i) the Fund's quarterly portfolio of investments, (ii) information regarding how the Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, and (iii) a description of the policies and procedures that the Fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com).

You may also obtain this and other Fund information directly from the Securities and Exchange Commission (SEC). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public Reference Section at 100 F Street NE, Washington, D.C. 20549.

### **CEO Certification Disclosure**

The Fund's Chief Executive Officer has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

The Fund has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

### **Common Share Information**

The Fund intends to repurchase shares of its own common stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Fund repurchased shares of its common stock as shown in the accompanying table.

#### **Common Shares Repurchased**

JTA

Any future repurchases will be reported to shareholders in the next annual or semi-annual report.



Nuveen Investments:  
Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

**Focused on meeting investor needs.**

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutional and individual investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets a wide range of specialized investment solutions which provide investors access to capabilities of its high-quality boutique investment affiliates Nuveen Asset Management, Symphony Asset Management, NWQ Investment Management Company, Santa Barbara Asset Management, Tradewinds Global Investors, Winslow Capital Management and Gresham Investment Management. In total, Nuveen Investments managed approximately \$212 billion as of June 30, 2012.

**Find out how we can help you.**

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at **(800) 257-8787**. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or **Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606**. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: [www.nuveen.com/cef](http://www.nuveen.com/cef)

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333 West Wacker Drive  
Chicago, IL 60606  
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ESA-C-0612D

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ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) See Portfolio of Investments in Item 1.

(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

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ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable to this filing.

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(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: See Ex-99.CERT attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons: Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: See Ex-99.906 CERT attached hereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Tax-Advantaged Total Return Strategy Fund

By (Signature and Title)     /s/ Kevin J. McCarthy  
Kevin J. McCarthy  
(Vice President and Secretary)

Date: September 7, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)     /s/ Gifford R. Zimmerman  
Gifford R. Zimmerman  
Chief Administrative Officer  
(principal executive officer)

Date: September 7, 2012

By (Signature and Title)     /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller  
(principal financial officer)

Date: September 7, 2012

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