Nuveen Multi-Strategy Income & Growth Fund
Form PRE 14A
September 02, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

þ Preliminary Proxy Statement.
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**.
o Definitive Proxy Statement.
o Definitive Additional Materials.
o Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Nuveen Multi-Strategy Income and Growth Fund (JPC)

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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þ No fee required.
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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

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4) Date Filed:

Important Information for
Shareholders of Nuveen Multi-Strategy Income and Growth Fund (JPC)

At a special meeting of shareholders of Nuveen Multi-Strategy Income and Growth Fund (JPC) (the Fund), you will be asked to vote on the approval of an investment sub-advisory agreement between Nuveen Fund Advisors, Inc. (the Adviser) and Nuveen Asset Management, LLC (NAM) and an investment sub-advisory agreement between the Adviser and NWQ Investment Management Company, LLC (NWQ). Although we recommend that you read the complete Proxy Statement, for your convenience, we have provided the following brief overview of the matters to be voted on.

Q. Why did I receive this Proxy?

A. This Proxy was sent to you, because as of September 7, 2011, you were a shareholder of the Fund. The Board of Trustees of the Fund (the Board) has authorized the Fund to reposition its portfolio and adopt a single-strategy investment approach emphasizing preferred securities. The Board also approved a number of related changes described in more detail below to accomplish this objective. Most of the changes in connection with the repositioning do not require shareholder approval. You are being asked to vote on two specific changes that require shareholder approval. In particular, you are being asked to consider the approval of investment sub-advisory agreements with each of NAM and NWQ as a result of the Fund s repositioning.

Q. What is the goal of the Fund s proposed repositioning plan?

A. The goal of the proposed repositioning is to increase the attractiveness of the Fund s common shares and narrow the Fund s trading discount by:

Simplifying the Fund to focus on one of its current core portfolio strategies;

Positioning the Fund in a closed-end fund category that is well understood and has historically seen more consistent secondary market demand; and

Differentiating the Fund from similar funds, including other Nuveen closed-end funds in the same fund category.

Q. What are the proposed changes to the investment policies of the Fund?

A. The Fund s investment objective of high current income with a secondary objective of total return will remain unchanged. The Fund currently invests its assets to maintain a strategic exposure target of approximately 70% in income-oriented debt securities (preferred securities and fixed- and floating-rate debt, including high yield debt and senior loans) and 30% in equities and equity-like securities (convertibles and domestic and international equities). In connection with the repositioning, the Fund will adopt a single-strategy investment approach emphasizing preferred securities. Upon completion of the repositioning, under normal market circumstances, the Fund will invest at least 80% of its managed assets in preferred securities. The Fund may invest up to 20% of its managed assets in other types of securities, primarily income-oriented securities such as corporate and taxable municipal debt, U.S. Government and agency debt and convertible preferred securities, as well as equity securities.

Q. What are the two proposals I am being asked to vote on?

A. The proposals seek your approval of a new investment sub-advisory agreement with each of NAM and NWQ. NAM and NWQ would assume portfolio management responsibilities from the existing sub-advisers of the Fund. The new investment sub-advisory agreements, if approved, will not increase overall management fees paid by the Fund.

Q. Why is the Fund proposing to change the management of its preferred securities portfolio?

A. The portfolio management change is a consequence of the stated goals of the Fund s proposed repositioning, including differentiating the Fund from other similar Nuveen closed-end funds. Currently, Spectrum Asset Management, Inc. (Spectrum), the Fund s existing preferred securities manager, serves as sub-adviser for three other Nuveen closed-end funds that invest in preferred securities. Thus, in proposing NAM and NWQ as sub-advisers to each manage a portion of the Fund s restructured investment portfolio, the Adviser is seeking to differentiate the Fund from the Adviser s other existing preferred securities funds, as well as to offer investors access to investment managers with distinctive, complementary approaches to the preferred securities market. The Adviser and the Board believe these changes may result in increased secondary market demand for the Fund s common shares.

Q. Who are the Fund s proposed new sub-advisers?

A. NAM and NWQ are registered investment advisers affiliated with the Adviser. Each firm has established preferred securities capabilities with distinctive, complementary approaches to the preferred securities market. NAM is the successor to the direct portfolio management business of the Adviser and also includes the long-term asset management business of FAF Advisors, Inc., which was acquired by NAM s indirect parent company, Nuveen Investments, Inc. (Nuveen), from U.S. Bancorp on December 31, 2010. Although NAM was launched as a new firm on January 1, 2011, it succeeds a business first established in 1989. Nuveen traces its roots in financial services back to 1898. NWQ, a disciplined, opportunistic, research-driven firm, was founded in April 1982 and began providing investment management services that year. NWQ s predecessor was acquired by Nuveen in 2002.

Q. How will the repositioned Fund differ from other similar Nuveen closed-end Funds?

A. The Fund will take a different approach to investing in preferred securities compared with Nuveen s three other closed-end funds that invest in preferred securities. Because preferred securities can have characteristics of debt, equity or both types of securities depending on their position in a company s capital structure, the Fund will employ two experienced portfolio teams with distinctive, complementary approaches to this market. NAM employs a debt-oriented approach that combines top down relative value analysis of industry sectors with fundamental credit analysis. NWQ employs a bottom up, fundamentally-driven approach that combines equity research to identify which companies to own with fixed income analysis to identify the most attractive securities of a company to hold. This unique, multi-team approach gives investors access to a broader investment universe with greater diversification potential.

Q. Will the repositioning increase the Fund s expense ratio?

A. The repositioning plan, including the appointment of two new sub-advisers, will not result in an increase in the Fund s operating expense ratio. In light of certain operating efficiencies that are expected to result from the repositioning, the Adviser has agreed to permanently reduce by two basis points (0.02%) its management fee rate if shareholders approve the proposals, which would result in a commensurate reduction in the Fund s operating expense ratio.

Q. Will there be any one-time costs associated with the Fund s repositioning?

A. The Fund pays transaction costs, such as commissions or dealer mark-ups, when it buys and sells securities. It is anticipated that the repositioning of the Fund s portfolio will result in significant portfolio turnover, which will result in higher explicit (i.e., trading commissions) and implicit (i.e., dealer mark-ups) transaction costs than would otherwise be incurred. Such costs will reduce the total return on net asset value to common shareholders. The Adviser and the Board believe that the potential benefits of the repositioning in terms of improved market price of the Fund s common shares relative to net asset value will outweigh the reduction in the Fund s net asset value due to the trading costs associated with the repositioning.

Q. Will the portfolio repositioning be a taxable event to Fund shareholders?

A. Although the Fund may realize gains or losses from the sale of existing portfolio securities, it is expected that the Fund s capital loss carry-forwards will offset any net realized capital gains.

Q. Will there be any other changes to the Fund as a result of the proposals?

A. If shareholders approve the proposals described in this Proxy Statement, the Fund will implement a number of related changes to achieve the repositioning of the Fund. The Adviser recommended and the Board has approved the following actions in connection with the repositioning: (1) changing the Fund s investment policies to adopt a single-strategy investment approach emphasizing preferred securities, (2) subject to a transition period, terminating the existing sub-advisers of the Fund and appointing each of NAM and NWQ to assume management of a portion of the investment portfolio of the Fund, (3) changing the name of the Fund to Nuveen Preferred Income Opportunities Fund, and (4) discontinuing the current quarterly managed distribution policy and commencing monthly income distributions (collectively, the Repositioning Plan).

Q. When will the Repositioning Plan take effect?

A. The Repositioning Plan will take effect as soon as practicable following shareholder approval of the new investment sub-advisory agreements. It is anticipated that the Fund s name change and the new distribution policy will take effect upon completion of the portfolio repositioning.

Q. What happens if shareholders do not approve these proposals?

A. If shareholders do not approve one or both of the new investment sub-advisory agreements, the Board will consider other alternatives for the Fund as it deems appropriate and in the best interest of the Fund. In such a case, some or all components of the Repositioning Plan may not take effect.

Q. How does the Board suggest that I vote?

A. After careful consideration, the Board recommends that you vote FOR the approval of the investment sub-advisory agreement with each of NAM and NWQ.

Q. Who do I call if I have questions?

A. If you need any assistance, or have any questions regarding the proposals or how to vote your shares, please call Computershare Fund Services, your proxy solicitor, at (866) XXX-XXXX, weekdays during its business hours of 7:00 a.m. to 7:00 p.m. Central time. Please have your proxy materials available when you call.

Q. How do I vote my shares?

A. You may vote by mail, by telephone or over the Internet:

To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

Q. Will anyone contact me?

A. You may receive a call from Computershare Fund Services, the proxy solicitor hired by the Fund, to verify that you received the proxy materials, to answer any questions you may have about the proposals and to encourage you to vote your proxy.

We recognize the inconvenience of the proxy solicitation process and would not impose on you if we did not believe that the matters being proposed were important and in the best interests of the Fund s shareholders. Once your vote has been registered with the proxy solicitor, your name will be removed from the solicitor s follow-up contact list.

Your vote is very important. We encourage you as a shareholder to participate in the Fund s governance by returning your vote as soon as possible. If enough shareholders fail to cast their votes, the Fund may not be able to hold its meeting or the vote on the proposals, and will be required to incur additional solicitation costs in order to obtain sufficient shareholder participation.

_____________ ___, 2011

Dear Shareholders:

We are pleased to invite you to the special meeting of shareholders of Nuveen Multi-Strategy Income and Growth Fund (JPC) (the Fund) (the Special Meeting). The Special Meeting is scheduled for November 18, 2011, at 2:00 p.m., Central time, in the offices of Nuveen Investments, Inc., 333 West Wacker Drive, Chicago, Illinois 60606.

At the Special Meeting, you will be asked to consider and approve an investment sub-advisory agreement between Nuveen Fund Advisors, Inc. (the Adviser) and Nuveen Asset Management, LLC and an investment sub-advisory agreement between the Adviser and NWQ Investment Management Company, LLC for the Fund as a result of proposed changes to the Fund s investment policies. The Adviser proposes, and the Board of Trustees of the Fund recommends, repositioning the Fund by modifying its principal investment strategies. In particular, the Adviser proposes investment policy changes for the Fund that would result in the Fund focusing on investments in preferred securities, one of its current core portfolio strategies.

The attached Proxy Statement has been prepared to give you information about this proposal.

All shareholders are cordially invited to attend the Special Meeting. In order to avoid delay and additional expense for the Fund, and to assure that your shares are represented, please vote as promptly as possible, whether or not you plan to attend the Special Meeting. You may vote by mail, telephone or over the Internet.

To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

We appreciate your continued support and confidence in Nuveen and our family of funds.

Very truly yours,

Kevin J. McCarthy

Vice President and Secretary

333 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60606
(800) 257-8787

NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS
November 18, 2011
_________, 2011

To the Shareholders of Nuveen Multi-Strategy Income and Growth Fund (JPC):

Notice is hereby given that a special meeting of shareholders of Nuveen Multi-Strategy Income and Growth Fund (the Fund), will be held in the offices of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on November 18, 2011, at 2:00 p.m., Central time (the Special Meeting), for the following purpose and at any and all adjournments thereof:

1. To approve an investment sub-advisory agreement between Nuveen Fund Advisors, Inc. and Nuveen Asset Management, LLC for the Fund.

2. To approve an investment sub-advisory agreement between Nuveen Fund Advisors, Inc. and NWQ Investment Management Company, LLC for the Fund.

3. To transact such other business as may properly come before the Special Meeting.

Shareholders of record at the close of business on September 7, 2011 are entitled to notice of and to vote at the Special Meeting.

All shareholders are cordially invited to attend the Special Meeting. In order to avoid delay and additional expense and to assure that your shares are represented, please vote as promptly as possible, regardless of whether or not you plan to attend the Special Meeting. You may vote by mail, telephone or over the Internet. To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States. To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide. To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

Kevin J. McCarthy
Vice President and Secretary

333 West Wacker Drive
Chicago, Illinois 60606
(800) 257-8787

PROXY STATEMENT

____________, 2011

This Proxy Statement is first being mailed to shareholders of Nuveen Multi-Strategy Income and Growth Fund (JPC) (the Fund), on or about ____________, 2011.

This Proxy Statement is furnished in connection with the solicitation by the Board of Trustees (the Board and each Trustee a Board Member and collectively, the Board Members) of the Fund of proxies to be voted at the Special Meeting of Shareholders to be held in the offices of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Friday, November 18, 2011, at 2:00 p.m., Central time (the Special Meeting), and at any and all adjournments thereof.

Proxies are being solicited from shareholders with respect to the following:

1. To approve an investment sub-advisory agreement between Nuveen Fund Advisors, Inc. and Nuveen Asset Management, LLC for the Fund.

2. To approve an investment sub-advisory agreement between Nuveen Fund Advisors, Inc. and NWQ Investment Management Company, LLC for the Fund.

3. To transact such other business that may properly come before the Special Meeting.

General Information

On the matters coming before the Special Meeting as to which a choice has been specified by shareholders on the proxy, the shares will be voted accordingly. If a properly executed proxy is returned and no choice is specified, the shares will be voted FOR the approval of the proposals listed in this Proxy Statement. Shareholders of the Fund who execute proxies may revoke them at any time before they are voted by filing with the Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Special Meeting and voting in person. Merely attending the Special Meeting, however, will not revoke any previously submitted proxy.

A quorum of shareholders is required to take action at the Special Meeting. A majority of the shares entitled to vote at the Special Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Special Meeting. Votes cast by proxy or in person at the Special Meeting will be tabulated by the inspectors of election appointed for the Special Meeting. The inspectors of election will determine whether or not a quorum is present at the Special Meeting. The inspectors of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as shares present for purposes of determining a quorum, but will not be voted for or against any proposal. Abstentions and broker non-votes will have the same effect as a vote against any proposal.

Those persons who were shareholders of record at the close of business on September 7, 2011 will be entitled to one vote for each share held and a proportionate fractional vote for each fractional share held. The Fund s common shares, which are listed on the New York Stock Exchange, are the only outstanding voting securities of the Fund. As of September 7, 2011, there were issued and outstanding ________________ common shares of the Fund.

Background

The Fund has an investment objective of high current income with a secondary objective of total return. The Fund currently pursues its objectives by employing a multi-strategy investment approach and allocating its assets among the following primary investment mandates preferred securities; senior loans, high-yield debt and convertible securities; and equity securities. Each investment mandate currently is managed by a separate manager. The Fund currently maintains a strategic exposure target of approximately 70% in income-oriented debt securities (preferred securities and fixed- and floating-rate debt, including high yield debt and senior loans) and 30% in equities and equity-like securities (convertibles and domestic and international equities). Although the Fund historically has performed well over time in comparison to its benchmark, the Fund has been unable to attract sufficient demand to enable its common shares to consistently trade well relative to its net asset value (NAV).

As part of the ongoing evaluation of the Fund and after evaluation of a broad range of alternatives to address the trading discount of the Fund s common shares, including expanded share repurchases, tender offers, Fund restructuring, mergers or reorganizations, conversion to an open-end fund and liquidation, the Adviser recommended and the Board approved the following actions in connection with the repositioning of the Fund: (1) changing its investment policies to adopt a single-strategy investment approach emphasizing preferred securities, (2) subject to a transition period, terminating the existing sub-advisers of the Fund and appointing each of Nuveen Asset Management, LLC (NAM) and NWQ Investment Management Company, LLC (NWQ) to each assume management of a portion of the investment portfolio of the Fund, (3) changing the name of the Fund to Nuveen Preferred Income Opportunities Fund, and (4) discontinuing the current quarterly managed distribution policy and commencing monthly income distributions (collectively, the Repositioning Plan). The objective of the Repositioning Plan is to increase the attractiveness of the Fund s common shares and narrow the Fund s trading discount by:

Simplifying the Fund to focus on one of its current core portfolio strategies;

Positioning the Fund in a closed-end fund category that is well understood and has historically seen more consistent secondary market demand; and

Differentiating the Fund from similar funds, including other Nuveen closed-end funds in the same fund category.

Repositioning Plan

Investment Policy Changes. The Fund s current investment objective of high current income with a secondary objective of total return will not change. The Adviser proposed and the Board approved investment policy changes for the Fund that would result in the Fund adopting a single-strategy investment approach emphasizing preferred securities. Upon the completion of the repositioning, the Fund will change its name and will adopt of policy of investing, under normal market circumstances, at least 80% of its managed assets in preferred securities. The Fund may invest up to 20% of its managed assets in other types of securities, which will include primarily income-oriented securities such as corporate and taxable municipal debt, U.S. Government and agency debt and convertible preferred securities, as well as equity securities. As a result of the change to a single-strategy investment approach, risks associated with the portfolio segments that will no longer form a primary part of the new strategy will not be principal risks and the risks associated with preferred securities, including credit and interest rate risks will be heightened. The Fund may invest in equity securities, including preferred securities, to a limited extent and will be subject to risks associated with equity securities, although it is not expected that those will be the primary risks of investing in the Fund. To the extent the Fund invests in preferred securities, credit default risk and interest rate risk will apply. The Fund intends to continue to use leverage and does not expect to change the level of outstanding leverage in connection with the repositioning. Accordingly, the Fund will remain subject to leverage risk. As of June 30, 2011, the Fund had outstanding leverage in the form of borrowing through a prime brokerage facility in an amount representing 22.7% of total assets.

The proposed 80% policy described above may be changed without shareholder approval upon 60 day s advance notice to shareholders. The Fund s investment policies described above are non-fundamental and may be changed by the Board without shareholder approval.

Proposed Sub-adviser Changes. Currently, Spectrum Asset Management, Inc. (Spectrum), Symphony Asset Management, LLC (Symphony) and Tradewinds Global Investors, LLC (Tradewinds) serve as sub-advisers to the Fund pursuant to investment sub-advisory agreements with the Adviser (the Current Sub-Advisory Agreements). Symphony and Tradewinds are affiliates of the Adviser. As a result of the Fund s proposed investment policy changes, the Adviser proposed and the Board approved, subject to a transition period, the termination of the Current Sub-Advisory Agreements with Spectrum, Symphony and Tradewinds. Subject to shareholder approval, the Board also approved the appointment of NAM and NWQ, affiliates of the Adviser (each, a Sub-Adviser), to each serve as sub-adviser to a portion of the Fund s portfolio, pursuant to a sub-advisory agreement with the Adviser (each, a Proposed Sub-Advisory Agreement and together the Proposed Sub-Advisory Agreements).

The Repositioning Plan, including the appointment of NAM and NWQ, will not increase the overall management fees paid by the Fund or the direct operating expenses of the Fund. The Fund will bear the transaction costs, such as commissions or dealer mark-ups, in connection with the repositioning. It is anticipated that the repositioning of the Fund s portfolio will result in significant portfolio turnover, which will result in higher explicit (i.e., trading commissions) and implicit (i.e., dealer mark-ups) transaction costs than would otherwise be incurred. Such costs will reduce the total return on net asset value to common shareholders. The Adviser and the Board believe that the potential benefits of the repositioning in terms of improved market price of the Fund s common shares relative to net asset value will outweigh the reduction in the Fund s net asset value due to the trading costs associated with the repositioning. In addition, although the Fund may realize gains or losses from the sale of existing portfolio securities, it is expected that the Fund s capital loss carry-forwards will offset any net realized capital gains.

As part of the Fund s divestment of certain portfolio holdings, the Fund may engage in cross-trades with other Nuveen funds to the extent such transactions are permitted by the Investment Company Act of 1940 Act, as amended (the 1940 Act) and are effected in accordance with the Fund s procedures adopted pursuant to Rule 17a-7 under the 1940 Act. While the use of cross-trades may reduce a portion of the transaction costs associated with the repositioning, cross-trades present certain conflicts of interest, including risks associated with the manner in which such securities are priced.

Although the Repositioning Plan will not increase the Fund s operating expense ratio, in light of certain operating efficiencies that are expected to result from the repositioning, the Adviser has agreed to a permanent reduction to its management fee rate if shareholders approve the proposals. The management fee paid by the Fund to the Adviser is comprised of a Fund Level Fee and a Complex Level Fee. The Adviser has agreed to a permanent reduction of the Fund Level Fee in an amount equal to two basis points (0.02%) at each breakpoint level if the Repositioning Plan takes effect.

Name Change. Upon completion of the repositioning of the Fund s portfolio, the Fund will change its name to Nuveen Preferred Income Opportunities Fund to better reflect the new investment approach.

Distribution Policy Change. Upon completion of the repositioning, the Fund will discontinue its current quarterly managed distribution policy (in which distributions may be sourced not just from income, but also from capital gains and, if necessary, return of capital), and commence monthly distributions of income. The repositioning is not expected to affect the level of the Fund s annualized distribution rate per share initially.

The Board considered information provided by the Adviser and held discussions regarding a broad range of alternatives for improving the trading discount of the Fund s common shares over the course of a number of Board meetings. At its meeting on August 22, 2011, the Board considered and approved the Repositioning Plan. For the reasons discussed below (see Board Considerations in Approving the Proposed Sub-Advisory Agreements), the Board, including the Board Members who are not parties to the sub-advisory agreements and who are not interested persons of the Fund or the Adviser as defined in the 1940 Act (the Independent Board Members), concluded at its meeting on August 22, 2011, that the Repositioning Plan was in the best interests of the Fund.

PROPOSALS 1 and 2

Approval of Proposed Sub-Advisory Agreements with each of NAM and NWQ

Introduction

Spectrum, Symphony and Tradewinds currently serve as sub-advisers to the Fund pursuant to investment sub-advisory agreements dated November 13, 2007. The investment sub-advisory agreements with Spectrum, Symphony and Tradewinds were last submitted to a shareholder vote on October 12, 2007 in connection with the change of control of Nuveen and were last approved for continuation by the Board on May 23-25, 2011 as part of its annual review process.

As discussed above, in connection with the Repositioning Plan, shareholders are being asked to approve Proposed Sub-Advisory Agreements with each of NAM and NWQ, pursuant to which NAM and NWQ each will manage a portion of the Fund s assets. In determining to recommend NAM and NWQ as sub-advisers to the Fund, the Adviser considered that each firm has established preferred securities capabilities, the distinctive but complementary nature of the investment methodologies of each firm, and that the multi-team approach could provide investors access to a broader preferred securities investment universe and with greater diversification potential. NAM generally employs a debt-oriented approach that combines top down relative value analysis of industry sectors with fundamental credit analysis. NWQ employs a bottom up, fundamentally-driven approach that combines equity research to identify which companies to own with fixed income analysis to identify the most attractive securities of a company to hold. The Adviser initially anticipates allocating approximately half of the Fund s investment portfolio to each sub-adviser.

Information about NAM

NAM is a wholly-owned subsidiary of the Adviser. The Adviser, located at 333 West Wacker Drive, Chicago, Illinois 60606, is a wholly-owned subsidiary of Nuveen Investments, Inc. (Nuveen). Nuveen is a wholly-owned subsidiary of Windy City, a corporation formed by investors led by Madison Dearborn Partners, LLC (MDP), a private equity investment firm based in Chicago, Illinois. Windy City is controlled by MDP on behalf of the Madison Dearborn Capital Partner V funds. As of June 30, 2011, NAM had approximately $103.025 billion of assets under management. The business address of NAM and each executive officer and director of NAM is 333 West Wacker Drive, Chicago, Illinois 60606.

NAM is the successor to the direct portfolio management business of the Adviser and also includes the long-term asset management business of FAF Advisors, Inc., which was acquired by NAM s indirect parent company, Nuveen, from U.S. Bancorp on December 31, 2010. Although NAM was launched as a new firm on January 1, 2011, it succeeds a business first established in 1989. Nuveen traces its roots in financial services back to 1898. As of June 30, 2011, NAM serves as sub-adviser to 110 closed-end and 79 open-end Nuveen Funds, including the Nuveen Preferred Securities Fund.

The following table sets forth the executive officers and director of NAM.

Name	Position with NAM	Principal Occupation, Vocation or Employment During the Past Two Years
Thomas S. Schreier	Chairman	Vice Chairman of Nuveen Investments, Inc.; Co-President of Nuveen Fund Advisors, Inc.; Co-Chief Executive Officer of Nuveen Securities, LLC; formerly, Chief Executive Officer and Chief Investment Officer of FAF Advisors, formerly, President, First American Funds.
William T. Huffman	President	Previously, Chairman, President and Chief Executive Officer (2002-2007) of Northern Trust Global Advisors, Inc. and Chief Executive Officer (2007) of Northern Trust Global Investments Limited; CPA.
Mary E. Keefe	Chief Compliance Officer	Managing Director and Chief Compliance Officer (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director (since 2004) and Director of Compliance of Nuveen Investments, Inc.; Managing Director and Chief Compliance Officer of Nuveen Securities, LLC, Nuveen Investments Advisers Inc., Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, Nuveen Investment Solutions, Inc. and Nuveen HydePark Group, LLC; Vice President and Assistant Secretary of Winslow Capital Management, Inc. and NWQ Holdings, LLC.
Charles R. Manzoni	General Counsel	Managing Director and General Counsel of Nuveen Securities, LLC; formerly, Chief Risk Officer, and Secretary and General Counsel, director on Board of Directors, FAF Advisors.
Sherri A. Hlavacek	Controller	Managing Director and Corporate Controller of Nuveen Securities, Inc., Nuveen Investments, LLC, Nuveen Investments Advisers Inc., Nuveen Investments Holdings, Inc. and (since 2011) Nuveen Fund Advisors, Inc.; Vice President and Controller of Nuveen Investment Solutions, Inc., NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Santa Barbara Asset Management, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Nuveen HydePark Group, LLC; Certified Public Accountant.

Information about NWQ

NWQ is a wholly-owned subsidiary of Nuveen Affiliates Holdings, LLC, which in turn, is a wholly-owned subsidiary of Nuveen. NWQ, a disciplined, opportunistic, research-driven firm, was founded in April 1982 and began providing investment management services that year. NWQ s predecessor was acquired by Nuveen in 2002. Although a subsidiary of Nuveen, NWQ maintains autonomy with regard to personnel, investment philosophy, process, style, and client relationships. As of June 30, 2011, NWQ had approximately $22.2 billion of assets under management. The business address of NWQ and each executive officer and director of NWQ is 2049 Century Park East, 16th Floor, Los Angeles, California 90067.

The following table sets forth the executive officers and directors of NWQ.

Name	Position with NWQ	Principal Occupation, Vocation or Employment During the Past Two Years
Jon D. Bosse	Co-President, Chief Investment Officer, Managing Director	
John E. Conlin	Co-President, Chief Operating Officer	
Avi M. Mizrachi	Managing Director, General Counsel, Chief Compliance	

Officer

As discussed under *Board Considerations in Approving the Proposed Sub-Advisory Agreements*, in considering the proposal to reposition the Fund, the Board reviewed the Fund s performance history as well as the pro forma estimated risk/return data and estimated yield and total return on NAV of the proposed repositioned Fund for the period of January 2010 through April 2011.

The following information shows the performance of each Sub-Adviser in managing open-end funds or closed-end fund sleeves with investment mandates similar to the repositioned Fund (the Comparable Funds) against their respective benchmarks. The performance of the Comparable Funds managed by each Sub-Adviser does not represent historical performance of the Fund and should not be considered indicative of future performance of the repositioned Fund. Results may differ because of, among other things, fund expenses, transaction expenses and the timing of purchases and sales of portfolio securities, as well as due to different investment and regulatory restrictions imposed on the Comparable Funds. The returns of the comparable open-end funds reflect their respective fees and expenses, which are different than the Fund s fees and expenses, while the returns of the comparable closed-end fund sleeves are gross of fees. The performance results for different products may vary and past performance is no guarantee of future results.

NAM Past Performance

Total Returns

Calendar Year Ended	Nuveen Preferred Securities Fund Class I	Benchmark*
2010	19.09%	13.31%
2009	43.79%	20.61%
2008	-24.45%	-11.59%
2007	-9.91%	-8.48%

Average Annual Returns

Periods Ended June 30, 2011	Nuveen Preferred Securities Fund Class I	Benchmark*
One Year	18.90%	12.67%
Three Years	11.25%	8.67%
Life of Fund**	4.66%	3.33%

* The Benchmark is 60% Merrill Lynch Hybrid Securities Index, 35% Barclays Capital USD Capital Securities Index, 5% Merrill Lynch REIT Preferred Stock Index.

** The inception date of the Nuveen Preferred Securities Fund is December 18, 2006.

NWQ Past Performance

Total Returns

Calendar Year Ended	Preferred Securities Sleeve of Nuveen Tax-Advantaged Total Return Strategy Fund*	Benchmark**
2010	11.21%	11.42%
2009	33.32%	12.40%
2008	-37.68%	-52.73%
2007	-7.71%	-11.21%
2006	7.70%	7.92%
2005	4.29%	3.51%

Average Annual Returns

Periods Ended June 30, 2011	Preferred Securities Sleeve of Nuveen Tax-Advantaged Total Return Strategy Fund*	Benchmark**
One Year	14.83%	13.22%

Three Years	-0.12%	-13.13%
Five Years	-0.54%	-9.41%
Life of Fund* **	0.42%	-6.49%

* Represents the performance of a portion of the closed-end fund s assets allocated to NWQ for management within a multi-manager strategy and does not include any allocation to cash. Performance has not been reduced by the fees and expenses of the fund.

** The Benchmark is Merrill Lynch Preferred Stock DRD Eligible Index

*** The inception date of the Nuveen Tax-Advantaged Total Return Strategy Fund is January 27, 2004.

Total Returns

Calendar Year Ended	Sleeve of Nuveen Tax-Advantaged Dividend Growth Fund*	Benchmark**
2010	16.12%	12.52%
2009	43.54%	16.53%
2008	-25.83%	-40.09%
2007	-6.48%	-11.48%

Average Annual Returns

Periods Ended June 30, 2011	Sleeve of Nuveen Tax-Advantaged Dividend Growth Fund*	Benchmark**
One Year	16.57%	14.01%
Three Years	9.58%	-3.99%
Life of Fund* **	5.17%	2.35%

* Represents the performance of a portion of the closed-end fund s assets allocated to NWQ for management within a multi-manager strategy and does not include any allocation to cash. Performance has not been reduced by the fees and expenses of the fund.

** The Benchmark is 50% Merrill Lynch Fixed Rate Preferred Securities Index, 50% Merrill Lynch Preferred Stock DRD Eligible Index.

*** The inception date of the Nuveen Tax-Advantaged Dividend Growth Fund is June 26, 2007.

Total Returns

Calendar Year Ended	Nuveen NWQ Preferred Securities Fund Class I	Benchmark*
2010	18.37%	13.70%

Average Annual Returns

Periods Ended June 30, 2011	Nuveen NWQ Preferred Securities Fund Class I	Benchmark*
One Year	17.05%	14.46%
Life of Fund **	16.65%	13.61%

* The Benchmark is Merrill Lynch Fixed Rate Preferred Securities Index

** The inception date of the NWQ Preferred Securities Fund is December 9, 2009.

Summary of Current and Proposed Sub-Advisory Agreements

It is proposed that the Adviser enter into a Proposed Sub-Advisory Agreement with each of the Sub-Advisers as soon as practicable following shareholder approval of such Proposed Sub-Advisory Agreement. The terms of the Proposed Sub-Advisory Agreement with each of NAM and NWQ are substantially similar to the terms of Current Sub-Advisory Agreements with Spectrum, Symphony and Tradewinds, except for the date of effectiveness, the initial term and as further discussed below. Each Proposed Sub-Advisory Agreement will have an initial term ending August 1, 2012, and will continue in effect from year to year thereafter if its continuance is approved at least annually in the manner required by the 1940 Act and the rules and regulations thereunder.

The forms of the Proposed Sub-Advisory Agreements with the Sub-Advisers are attached hereto as Appendix A, and the description of the Proposed Sub-Advisory Agreements is qualified in its entirety by reference to the forms of the Proposed Sub-Advisory Agreements.

Advisory Services. Similar to the Current Sub-Advisory Agreements, under the Proposed Sub-Advisory Agreement, each Sub-Adviser will furnish an investment program in respect of, make investment decisions for, and place all orders for the purchase and sale of securities for the portion of the Fund s investment portfolio allocated by the Adviser to the Sub-Adviser, all on behalf of the Fund and subject to oversight of the Fund s Board and the Adviser. In performing its duties, each Sub-Adviser will monitor the Fund s investments and will comply with the provisions of the Fund s Declaration of Trust, By-Laws and prospectus, as amended from time to time, and the stated investment objectives, policies and restrictions of the Fund from time to time. Similar to the Current Sub-Advisory Agreements with Symphony and Tradewinds, under the Proposed Sub-Advisory Agreements, the Sub-Advisers have been delegated proxy voting responsibility and are responsible for providing certain pricing services.

Brokerage. Consistent with the Current Sub-Advisory Agreements, under each Proposed Sub-Advisory Agreement, the Sub-Adviser is authorized to select the brokers or dealers that will execute the purchases and sales of portfolio securities for the Fund, subject to its obligation to use commercially reasonable efforts to obtain best execution under the circumstances, which may take into account all appropriate factors. Both the Current and Proposed Sub-Advisory Agreements provide that a Sub-Adviser will not be deemed to have acted unlawfully, or to have breached a fiduciary duty to the Fund, or be in breach of any obligation owing to the Fund under this Agreement, or otherwise, solely by reason of its having caused the Fund to pay a member of a securities exchange, a broker or a dealer (including the Sub-Adviser s internal broker-dealer) a commission for effecting a securities transaction for the Fund in excess of the amount of commission another member of an exchange, broker or dealer would have charged if the Sub-Adviser determined in good faith that the commission paid was reasonable in relation to the brokerage or research services provided by such member, broker or dealer, viewed in terms of that particular transaction or the Sub-Adviser s overall responsibilities with respect to its accounts, including the Fund, as to which it exercises investment discretion.

The Fund paid affiliated brokerage commissions within the last fiscal year to Spectrum, which is a current sub-adviser to the Fund. The affiliated brokerage commission paid by the Fund is shown in Appendix C.

Fees. Consistent with the Current Sub-Advisory Agreements, under each Proposed Sub-Advisory Agreement, the Adviser pays the Sub-Adviser a portfolio management fee out of the investment management fee the Adviser receives from the Fund. The rate of the portfolio management fees payable by the Adviser to each Sub-Adviser are reflected in the Proposed Sub-Advisory Agreements included in Appendix A. The annual rate of portfolio management fees payable to the current sub-advisers under the Current Sub-Advisory Agreements and the fees paid by the Adviser to the current sub-advisers during the Fund s last fiscal year are set forth in Appendix B to this Proxy Statement. Appendix B also includes the advisory fee rates and net assets of funds not included in this Proxy Statement advised by each Sub-Adviser with similar investment objectives as the Fund.

Payment of Expenses. Consistent with the Current Sub-Advisory Agreements, under each Proposed Sub-Advisory Agreement, the Sub-Adviser agrees to pay all expenses it incurs in connection with its activities under the Agreement other than the cost of securities (including any brokerage commissions) purchased for the Fund.

Limitation on Liability. Consistent with the Current Sub-Advisory Agreements, each Proposed Sub-Advisory Agreement provides that the Sub-Adviser will not be liable for, and the Adviser will not take any action against the Sub-Adviser to hold the Sub-Adviser liable for, any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the performance of the Sub-Adviser s duties under the Agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Sub-Adviser in the performance of duties under the Agreement, or by reason of its reckless disregard of its obligations and duties under the Agreement.

Continuance. The Current Sub-Advisory Agreements for the Fund originally were in effect for an initial term and could be continued thereafter for successive one-year periods if such continuance was specifically approved at least annually in the manner required by the 1940 Act. If Fund shareholders approve a Proposed Sub-Advisory Agreement, that Proposed Sub-Advisory Agreement will expire on

August 1, 2012, unless continued. Thereafter, a Proposed Sub-Advisory Agreement may be continued for successive one-year periods if approved at least annually in the manner required by the 1940 Act.

Termination. Both the Current Sub-Advisory Agreements and the Proposed Sub-Advisory Agreements terminate automatically in the event of assignment and provide that the Agreement may be terminated at any time without the payment of any penalty by the Adviser, by the Fund, by action of the Fund s Board or by a vote of a majority of the outstanding voting securities of the Fund, on no less than sixty (60) days written notice to the Sub-Advisers. In addition, the Proposed Sub-Advisory Agreements provide that the Agreement may be terminated at any time without the payment of any penalty by a Sub-Adviser on no less than sixty (60) days written notice to the Adviser.

Both the Current Sub-Advisory Agreements and the Proposed Sub-Advisory Agreements provide that they may be terminated at any time without the payment of any penalty, by the Adviser, the Board or by vote of a majority of the outstanding voting securities of the Fund in the event that it is established by a court of competent jurisdiction that a Sub-Adviser or any of its officers or directors has taken any action that results in a breach of the representations of the Sub-Adviser set forth in the Agreement.

Board Considerations in Approving the Proposed Sub-Advisory Agreements

The Approval Process

The Board is responsible for overseeing the performance of the investment advisers to the Fund and determining whether to approve the Fund s advisory arrangements, including sub-advisory arrangements. At a meeting held on May 23-25, 2011 (the May Meeting), the Board, including the Independent Board Members, approved the continuance of the investment management agreement between the Fund and Adviser and the sub-advisory agreements between the Adviser and the Fund s existing sub-advisers. During the course of the year, however, the Adviser has been evaluating the investment strategy of the Fund and considering potential changes to the strategy in an effort to enhance the attractiveness of the Fund s common shares in the market place in order to help narrow the trading discount. The Board recognized that the Adviser seeks to accomplish these goals by simplifying the Fund s current portfolio strategies, positioning the Fund into a well understood closed-end fund category that has historically experienced consistent secondary market demand and differentiating the Fund from other similar funds, including those in the Nuveen fund family.

During the year, the Board received a variety of materials relating to the proposed repositioning of the Fund, including, among other things, a comparison of the investment processes of various applicable sub-advisers; the performance history of the Fund; a risk/return and asset allocation analysis of the Fund s portfolio under the management of different combinations of potential sub-advisers; the proposed changes to the investment parameters of the Fund and rationale therefore; the portfolio characteristics of the repositioned Fund; the costs and steps to be followed in repositioning the Fund; the estimated benefits if the discount is narrowed; a description of the proposed new Sub-Advisers to the Fund, their investment process, their responsibilities and investment mandates with respect to the portfolio assets allocated to them and the rationale for recommending NAM and NWQ as the new Sub-Advisers for the repositioned Fund. In recommending NAM and NWQ, the Board recognized the Adviser s conflict of interest as both NAM and NWQ are affiliated with the Adviser and would be replacing the existing sub-advisers to the Fund, one of which is not affiliated with the Adviser. Accordingly, in connection with the proposal to reposition the Fund, the Board also considered and discussed non-affiliated investment teams as well as alternative means to reduce the trading discount.

In connection with the repositioning of the Fund, at a meeting held on August 22, 2011 (the August Meeting), the Board, including the Independent Board Members, considered and approved the Proposed Sub-Advisory Agreements between the Adviser and NAM and between the Adviser and NWQ on behalf of the Fund.

To assist the Board in its evaluation of the Proposed Sub-Advisory Agreements with the Sub-Advisers, the Independent Board Members had received, in adequate time in advance of the August Meeting or at prior meetings, materials which outlined, among other things:

- the nature, extent and quality of services expected to be provided by the Sub-Advisers;
- the organization of the Sub-Advisers, including the responsibilities of key investment personnel;
- the expertise and background of the Sub-Advisers with respect to the Fund s investment strategy;
- certain performance-related information (as described below);
- the profitability of the Adviser (which incorporated Nuveen s wholly-owned affiliated sub-advisers);
- the proposed management fees;
- the expected expenses of the Fund; and
- the soft dollar practices of the Sub-Advisers, if any.

At various meetings during the year, the Adviser made presentations to and responded to questions from the Board. During these meetings, the Independent Board Members also met privately with their legal counsel to review the Board s duties under the 1940 Act, the general principles of state law in reviewing and approving advisory contracts, the standards used by courts in determining whether investment company boards of directors have fulfilled their duties, factors to be considered in voting on advisory contracts and an adviser s fiduciary duty with respect to advisory agreements and compensation. It is with this background that the Independent Board Members considered the Sub-Advisory Agreements with each Sub-Adviser for the Fund. As outlined in more detail below, the Independent Board Members considered all factors they believed relevant with respect to the Fund, including the following: (a) the nature, extent and quality of the services to be provided by the Sub-Advisers; (b) the investment performance, as described below; (c) the profitability of Nuveen and its affiliates; (d) the extent to which economies of scale would be realized as the Fund grows; and (e) whether fee levels reflect these economies of scale for the benefit of Fund investors.

A. Nature, Extent and Quality of Services

In reviewing the Sub-Advisers, the Independent Board Members considered the nature, extent and quality of the respective Sub-Adviser s services, including advisory services and administrative services, if any. As each Sub-Adviser already serves as a sub-adviser to other Nuveen funds overseen by the Board Members, the Board has a good understanding of each Sub-Adviser s organization, operations and personnel. As the Independent Board Members meet regularly throughout the year to oversee the Nuveen funds, including funds currently sub-advised by the Sub-Advisers, the Independent Board Members have relied upon their knowledge from their meetings and any other interactions throughout the year of the respective Sub-Adviser and its services in evaluating the Proposed Sub-Advisory Agreements.

At the August Meeting and at prior meetings, the Independent Board Members reviewed materials outlining, among other things, the respective Sub-Adviser s organization and business; the types of services that such Sub-Adviser provides to other Nuveen funds and is expected to provide to the Fund; and the experience of the respective Sub-Adviser with applicable investment strategies. Further, the Independent Board Members evaluated the background, experience and track record of the Sub-Adviser in managing the asset class. In reviewing potential sub-advisers for the Fund, the Board Members reviewed a description of the investment process of the potential sub-advisers and an analysis of the Fund s portfolio with different combinations of sub-advisers, including the extent of any portfolio overlap and the risk/return of the portfolio with these different combinations of investment teams. The Board Members noted the Adviser s recommendation that NWQ and NAM had distinct, but complementary, investment styles and the combination of these investment managers resulted in a better risk/return portfolio analysis and lower portfolio overlap than other combinations of investment managers.

In addition to advisory services, the Independent Board Members considered the quality of any administrative or non-advisory services to be provided. The Independent Board Members noted, however, that each Sub-Advisory Agreement was essentially an agreement for portfolio management services only and each Sub-Adviser was not expected to supply other significant administrative services to the Fund. The services to be provided by the Sub-Advisers under the Proposed Sub-Advisory Agreements are the same type of services provided by the current sub-advisers under the Current Sub-Advisory Agreements.

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

B. Investment Performance

In considering the proposal to reposition the Fund, the Board reviewed the performance history of the Fund over various time periods, including the returns of each sleeve of the Fund relative to the benchmark of the sleeve, as well as the historic premium and discount levels. The Board noted that the Adviser was recommending to reposition the Fund in part to seek to narrow the trading discount of the Fund s common shares. Although there is no record of the Fund s performance under the proposed modified investment strategy with the new Sub-Advisers, the Board reviewed estimated risk/return data of the proposed portfolio for the period of January 2010 through April 2011, as well as the estimated yield and total return on net asset value of the pro forma portfolio of the Fund for such period. The Board also reviewed an analysis of the estimated increased share value and fee savings if the trading discount was narrowed by various percentage points.

C. Fees, Expenses and Profitability

1. Fees and Expenses

In evaluating the management fees and expenses that the Fund was expected to bear, the Independent Board Members considered, among other things, the Fund s management fee structure, its proposed sub-advisory fee arrangements and its expense ratios. At the May Meeting, the Independent Board Members had reviewed the Fund s gross management fees, net management fees, and net expense ratios in absolute terms as well as compared with the fees and expense ratios of comparable affiliated and unaffiliated funds based on data provided by an independent fund data provider (the Peer Universe) and to a more focused subset of funds in the Peer Universe (the Peer Group) and any expense limitations. In its review, the Independent Board Members had observed that the Fund had net management fees and net expense ratios below its peer averages. The Board, however, recognized that the Fund would bear the transaction costs of purchasing and selling portfolio securities in connection with repositioning the portfolio of the Fund and the proxy solicitation costs in seeking necessary shareholder approval and reviewed the estimated costs of the transition. Nevertheless, in light of the one-time transition costs and expected efficiencies, the Board noted that the Adviser has agreed to permanently reduce its management fee by two basis points. The Board further observed that the appointment of the new Sub-Advisers does not change the Fund s management fees as the Adviser pays the Sub-Advisers out o