

Tax Reporting Information for Nuveen Commodity Exchange-Traded Products



Nuveen Diversified Commodity Fund (CFD) | Nuveen Long/Short Commodity Total Return Fund (CTF)

The following information is provided for informational purposes only and is not intended as tax advice. Nuveen does not offer tax advice; you should seek advice based on your particular circumstances from an independent tax advisor.

I have purchased a Nuveen commodity exchange-traded product. What is my tax reporting responsibility for this investment?

Generally, any income, gains, losses, deductions, credits or other tax items reported to you on Schedule K-1 need to be included in your tax returns. Investors should consult with a tax professional if assistance is required.

Why do I receive a Schedule K-1 as opposed to a Form 1099?

Nuveen's commodity exchange-traded products are each treated as partnerships for tax purposes. Investors in the partnership are taxed on their allocable share of income, gains, losses, deductions, credits and other items from the partnership. The tax information for partnerships must be reported on an IRS Schedule K-1. IRS Form 1099-DIV is generally used by mutual funds, closed-end funds, and other corporate entities to report taxable distributions paid to an investor during a tax year.

What information is reported on a Schedule K-1?

Schedule K-1 indicates your allocable share of each category of the partnership's income, gains, losses, expenses and other tax items. Schedule K-1 also summarizes the distributions you have received and provides a partner's capital analysis, which tabulates your tax basis in the shares at year-end or for any purchase or sale of shares during the year.

Where on Schedule K-1 is this information reported?

- Interest from the fund's portfolio appears on Line 5 "Interest Income."
- Short term gains or losses (if any) on the portfolio appear on Line 8, "Net Short Term Gain (Loss)".
- Long term gains or losses (if any) on the portfolio appears on line 9a "Net Long Term Gain/(Loss)".
- Section 1256 contract capital gain/loss appears on Line 11 C, "Other Income (Loss)."
- Fund expenses (the allocable share of advisory fees and administrative costs of the fund) appear on line 13 "Other deductions".
- Monthly cash distributions and any other distributions you may receive appear on Line 19, "Distributions."
- Total investment income and all fund expenses (the allocable share of advisory fees and administrative costs of the fund) appear on Line 20.

Schedule K-1 includes instructions on how to transfer the reported information with respect to your shares to the Form 1040 and Schedule D and other schedules which you will use to complete your federal income tax filing.

Can my tax information be imported into TurboTax®?

Yes, shareholders can download their Schedule K-1 information online and that file can be imported into TurboTax software. For more information <https://www.taxpackagesupport.com/nuveen>

Are the fund's commodity investments considered to be tax-advantaged?

Nuveen's commodity exchange-traded products invest primarily in U.S. exchange-listed commodity futures and commodity options, a majority of which are expected to be tax-advantaged Section 1256 contracts. Any gain from such a futures or option contract is treated as 60% long-term capital gain and 40% short-term capital gain, regardless of the length of the holding period of that contract. It should also be noted that Section 1256 requires that qualified contract positions held by the fund at year end be "marked to market" and the unrealized gain or loss determined with respect to those positions be included in the total amount of reported income.

Nuveen's commodity exchange-traded products pay out regular monthly cash distributions. Will the fund's total distributions equal the fund's total returns?

The fund's monthly cash distributions and the allocable income reported on Schedule K-1 in any year are not related. The income and gains (losses) allocable to a shareholder are based upon the investment performance or total return of the fund and may be significantly greater than or less than the cash distributions paid in any year. The fund's manager seeks to establish distribution rates for the funds that roughly correspond to projections of the total return that could reasonably be expected to be generated by the fund over an extended period of time, but in any year the fund's distributions may be greater than or less than the fund's total return for that year.

Are the fund's cash distributions taxable?

Because the fund is treated as a partnership for tax purposes, shareholders will be taxed on their allocable share of the fund's income, gains, losses, deductions and credits. The fund's distributions are intended in part to provide shareholders with cash with which to fund their potential tax liabilities, and such distributions are not themselves taxable to the extent they do not exceed a shareholder's tax basis in the shares. There can be no assurance that distributions for any period will correspond to such tax liabilities or share of income and gains for such period.

I have purchased shares as part of an IRA or tax-exempt account. What is my tax reporting responsibility for this investment?

The IRS requires an entity treated as a partnership to provide a Schedule K-1 to each partner, regardless of the manner in which the shares are held. However, generally, if shares are held in a tax-exempt account, income items on the K-1 are not required to be reported in a federal tax return. Investors should consult with a tax professional regarding their personal circumstances.

I have sold shares. What is my tax reporting responsibility for this investment?

Investors should consult with a tax professional. In most cases, capital gains (losses) on the sale of shares must be reflected in a tax return. Schedule K-1 includes an ownership schedule indicating the number of shares held at the beginning of the year and all purchases or sales of shares during the year. The partner's capital analysis tabulates the tax basis for shares sold during the year and any shares held at the end of the year. Generally, the gain or loss on the sale of shares is calculated as the difference between the sale price (net of commissions) and the adjusted basis for the shares.

How is my tax basis calculated?

An investor's tax basis is typically the initial amount paid for the shares (including fees) adjusted by the total amounts of income and gain and/or the total amounts of investment expense, loss and distributions reported on Schedule K-1. Generally, the fund's regular monthly cash distributions will decrease an investor's tax basis and the fund's gains and interest income will increase an investor's tax basis.

What happens to my tax basis if a Nuveen commodity exchange-traded product earns more or less than total distributions paid out in any given tax year?

- If a fund's net earnings are greater than its total cash distributions for any given tax year, your tax basis will be increased and the excess earnings will be reinvested into the fund. Shareholders in Nuveen commodity exchange-traded products are taxed on all net earnings including earnings above the distribution rate.
- If a fund's net earnings are less than its total cash distributions for any given tax year, your tax basis will be reduced, which is generally a non-taxable event.

Are the Nuveen commodity exchange-traded products exposed to Unrelated Business Taxable Income (UBTI)?

Nuveen commodity exchange-traded products will realize income that is expected to be short-term or long-term capital gain income, interest income or other passive investment income of the type specifically exempt from UBTI.

How can I access my Schedule K-1 tax package for my Nuveen commodity exchange-traded product?

Nuveen provides access to your Schedule K-1 tax package online at <https://www.taxpackagesupport.com/nuveen>. Shareholders can access their tax information by entering their Social Security number online. On the website, shareholders can view their tax information, print instructions, download Schedule K-1 information for TurboTax, request changes to incorrect information, and estimate capital gain (loss) upon the sale of shares.

My Schedule K-1 is incorrect - how do I fix it?

Shareholders can request changes to incorrect information online at <https://www.taxpackagesupport.com/nuveen>

- Correct your account information including name and address and type of account (i.e. Individual, Corporation, IRA/Sep/Keogh, etc.)
- Correct dates, transaction types, and shares by transaction
- Add missing transactions
- Delete incorrect transactions

When will my Schedule K-1 be ready?

Nuveen commodity exchange-traded products are required to obtain information regarding ownership interests bought and sold during the year. Nuveen reviews the information beginning in January and provides Schedule K-1 information as early as possible thereafter. Shareholders of Nuveen commodity exchange-traded products will have online access to their Schedule K-1 by the end of the first week of March in the following year (i.e, March 2013 for the 2012 tax year).

For your convenience, you can subscribe to an email alert to receive notice when your K-1 is available to download online at the tax package support website. <https://www.taxpackagesupport.com/nuveen>.

Who should I contact with questions on my Schedule K-1?

- Shareholders: The information on your K-1 is reported to us by your broker. Please contact your financial advisor or tax advisors with questions.
- Advisors: Nuveen would like to help you and your clients. With your client's permission, please go to <https://www.taxpackagesupport.com/nuveen>. Alternatively, please contact Nuveen at 877-496-3792.

Please note that Nuveen is not a tax advisor and investors should always seek the advice of a tax professional in evaluating their own tax situation.

Investments in shares of CTF and CFD are subject to investment risk, including the possible loss of the entire amount invested. The funds invest primarily in commodity futures contracts and options on commodity futures contracts, which have a high degree of price variability and are subject to rapid and substantial price changes. The funds could incur significant losses on their commodity investments. The funds are not mutual funds, closed-end funds, or any other types of "investment company" within the meaning of the Investment Company Act of 1940, as amended, and are not subject to regulation thereunder. For more information about the funds, including a more complete description of risks, please see Nuveen's Commodity Exchange-Traded Products' webpage at: <http://www.nuveen.com/CommodityInvestments>.

This is not a solicitation to buy or sell fund shares. The funds do not presently offer any new shares for sale; existing shares trade on the NYSE MKT.