

# Nuveen Dow 30<sup>SM</sup> Dynamic Overwrite Fund (DIAX)

Marketing communication | As of 31 Dec 2024

- The Fund underperformed the DIAX Blended Benchmark (55% CBOE DJIA BuyWrite Index (BXD) and 45% Dow Jones Industrial Average) for the quarter.
- The Fund's option overwrite strategy and its underlying equity portfolio management detracted from quarterly results.

## Portfolio review

U.S. equities experienced significant volatility during the quarter, losing ground in October as strong economic data propelled U.S. Treasury yields higher, before rebounding in November following Donald Trump's election and optimism over his pro-growth agenda. However, the election results ultimately failed to expand market breadth, and the rally stalled in December as hawkish Federal Reserve (Fed) comments quickly dampened the enthusiasm, particularly for small-cap and value stocks. The technology-heavy Nasdaq continued to notch new record highs, fueled by ongoing enthusiasm for technology stocks, artificial intelligence, and crypto in the wake of lower rates and the Trump victory. The S&P 500 Index ended the quarter up 2.41% despite some year-end weakness caused by the Fed comments. The Dow Jones Industrial Average (DJIA) faced more downward pressure in December, posting its worst monthly performance in more than two years, but still ending the quarter with a positive return of 0.93%, led by strong gains in the financials and communication services sectors, while materials and health care sold off sharply.

Index implied volatility levels were elevated during the quarter as investors grappled with a potential labor market slowdown

and increased uncertainty about the timing and pace of the Fed's easing cycle. The Chicago Board Options Exchange (Cboe) Volatility Index (VIX) ranged from a high of 27.6% to a low of 12.8%. The VIX reacted strongly to the certainty of the election results and normalized by five points during the evening of November 5<sup>th</sup>.

The Fund's equity portfolio held all 30 stocks in the DJIA in weights equal to the index. In addition, the investment team sells (writes) call options on a portion of the Fund's equity portfolio. Given the various macroeconomic and geopolitical uncertainties during the quarter, the team slightly increased the portfolio's overwrite level. The core option overwrite level varied between 45% and 67% of the equity portfolio's value with an average level of 60%. The team sold deeper out-of-the-money calls, while continuing to employ a relatively new technique that involves more frequent rebalancing and more diversified option expiration dates by selling weekly and end-of-month options. Spreading the overwrite coverage out over the coming month creates a ladder of expiration dates. This helps performance in a rising market because part of the overwrite coverage is always being rolled upward to the current market level.

## Contributors

Although the Fund's underlying equity portfolio slightly detracted during the quarter, the Fund did benefit from underweight positions in two poorly performing health care stocks, UnitedHealth Group and Amgen.

While the Fund's option overwrite strategy detracted overall from performance, the team's more frequent rebalancing using more diversified option expiration dates was helpful during the quarter. The Fund also profited from several successful VIX and S&P 500<sup>®</sup> put option trades.

## Detractors

The Fund's option overwrite strategy detracted from performance during the quarter. Because of the Fund's investment policies, the investment team is precluded from trading DJIA options directly. As a result, the team sold call options on the S&P 500<sup>®</sup> instead. This hindered performance because the spread between the S&P 500<sup>®</sup> and the DJIA reversed course during the quarter, with the DJIA underperforming by 1.5%.

The Fund's underlying equity portfolio slightly detracted for the quarter, primarily due to an underweight and security selection in the strongest performing financials sector where an underweight to Goldman Sachs weighed on results. An underweight to Salesforce in the information technology sector also detracted.

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## Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	5 years	10 years	Since inception
Share price	29 Apr 05	3.44	16.37	2.31	4.48	7.23	6.88
NAV	29 Apr 05	1.38	10.62	4.60	5.41	6.88	7.37

Performance data shown represents past performance and does not predict or guarantee future results. Current performance may be higher or lower than the data shown. NAV returns are net of fund expenses, and assume reinvestment of distributions.

## Distribution information

Current Distribution (Quarterly)	\$0.3010
Monthly Equivalent Distribution	\$0.1003
Distribution Rate on NAV	7.20%
Distribution Rate on Market Price	7.99%

Distribution sources may include net investment income, realized gains and return of capital. If a distribution includes anything other than net investment income, the Fund provides a notice of the best estimate of its distribution sources at that time which may be viewed at [nuveen.com/CEFDistributions](http://nuveen.com/CEFDistributions). These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms after the end of the year. You should not draw any conclusions about a fund's past or future investment performance from its current distribution rate. The funds regular monthly distributions may be subject to federal and/or state and local taxes and may be re-characterized as ordinary income. Any re-characterization will be reported in shareholders' 1099-DIV forms after the end of the year. Income exempt from federal income tax may be subject to state and local taxes and the alternative minimum tax. Capital gains, if any, will be subject to capital gains tax.

## Top 10 positions

	% of portfolio
Goldman Sachs Group Inc/The	8.1%
Unitedhealth Group Inc	7.1%
Microsoft Corp	5.9%
Home Depot Inc/The	5.5%
Caterpillar Inc	5.1%
Sherwin-Williams Co/The	4.8%
Salesforce Inc	4.7%
Visa Inc	4.5%
American Express Co	4.2%
Mcdonald's Corp	4.1%

Holdings may vary and are subject to change without notice.

## Fund description

The Fund is designed to offer regular distributions through a strategy that seeks attractive total return with less volatility than the Dow Jones Industrial Average (DJIA or "Dow 30") by investing in an equity portfolio that seeks to substantially replicate the price movements of the DJIA, as well as selling call options on 35%-75% of the notional value of the Fund's equity portfolio (with a 55% long-term target) in an effort to enhance the Fund's risk-adjusted returns.

## Portfolio management

Nuveen Asset Management, LLC is the subadviser to the Fund and an affiliate of Nuveen, LLC.

**For more information contact: 800.752.8700 or visit [nuveen.com](http://nuveen.com)**

## Important information on risk

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Common stock** returns often have experienced significant volatility. The Fund may not participate in any appreciation of its equity portfolio as fully as it would if the Fund did not sell **call options**. In addition, the Fund will continue to bear the risk of declines in the value of the equity portfolio. Because **index options** are settled in cash, sellers of index call options, such as the Fund, cannot provide in advance for their potential settlement obligations by acquiring and holding the underlying securities. For these and other risks, including **tax risk**, please see the Fund's web page at [www.nuveen.com/DIAX](http://www.nuveen.com/DIAX).

**Distribution Rate** at market price and NAV is calculated by annualizing the most recent declared regular distribution and dividing by the fund's market price or NAV, respectively. Special distributions, including special capital gains distributions, are not included in the calculation.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her financial professional.

## Glossary

The **DIAX Blended Benchmark** consists of 55% CBOE DJIA Buy-Write Index (BXD) and 45% Dow Jones Industrial Average. The **Chicago Board Options Exchange (Cboe) Dow Jones Industrial Average (DJIA) BuyWrite Index (BXD)**: A benchmark index that measures the performance of a theoretical portfolio that sells call options on the Dow Jones Industrial Average (the Dow), against a portfolio of the stocks included in the Dow. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees. The **Dow Jones Industrial Average** is the best known U.S. index of stocks. A price-weighted average of 30 actively traded blue-chip stocks, primarily industrials including stocks that trade on the New York Stock Exchange. The Dow, as it is called, is a barometer of how shares of the largest US companies are performing. There are hundreds of investment indexes around the world for stocks, bonds, currencies, and commodities. The **Cboe Volatility Index (the "VIX")** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Since its introduction in 1993, the VIX has been considered by many to be the world's premier barometer of investor sentiment and market volatility. The **S&P 500** is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. **Overwriting** is a strategy to sell (write) options that are overpriced under the assumption that the options won't get exercised. **It is not possible to invest directly in an index.**

The **Dow Jones Industrial Average** (the "Index") is a product of S&P Dow Jones Indices LLC ("S&P DJI") and has been licensed to Nuveen Fund Advisors, LLC in connection with the Nuveen Dow 30<sup>SM</sup> Dynamic Overwrite Fund. Dow Jones Industrial Average<sup>®</sup>, The Dow<sup>™</sup>, and The Dow 30<sup>™</sup> are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P DJI and/or its affiliates and have sublicensed for certain purposes by Nuveen Fund Advisors, LLC. The Fund is not sponsored, endorsed, sold or promoted by S&P DJI, S&P, or their respective affiliates or third party licensors and none of such parties make any representation regarding the advisability of investing in the Fund.

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