

Nuveen Credit Strategies Income Fund (JQC)

Marketing communication | As of 30 Sep 2024

- The Fund outperformed its benchmark, the Credit Suisse Leveraged Loan Index, during the quarter.
- The U.S. economy continued to expand in the third quarter despite exhibiting signs of decelerating. Employers added a forecast-topping 254,000 payrolls in September, and consumer spending stayed resilient. In contrast, manufacturing activity continued to contract, and the housing market remained challenged by limited supply and still-high mortgage rates. Amid cooling inflation, in September the Federal Reserve cut interest rates for the first time since 2020.
- Both high yield bonds and senior loans performed well in the third quarter, benefiting from healthy corporate balance sheets and strong demand for high-yielding securities. Collateralized loan obligations (CLOs), the largest purchaser of senior loans, have experienced record issuance in 2024 in the face of geopolitical and macroeconomic uncertainty, in addition to an unusually busy global election season. An increase in mergers & acquisitions (M&As) and leveraged buyout (LBO) activity have also provided a tailwind for high yield corporates and senior loans. As of quarter end, defaults for high yield securities edged up overall but remained concentrated in lower-quality issuers.

Portfolio review

The Fund continued to hold high-quality liquid loans offering yields in the 7%-9% range, while also taking advantage of the market dislocation created by elevated inflation and interest rates. We increased the Fund's allocation to more attractively priced high yield corporate bonds, although loans remained the portfolio's largest component as of quarter-end. The Fund was

underweight lower-rated issuers that tend to struggle in higher interest-rate environments, with a focus on securities that, based on our risk/reward analysis, have been mispriced. As always, we seek to maximize total return through active management that features a robust credit underwriting framework.

Contributors

On a sector basis, communication services and information technology contributed the most, reflecting favorable security selection. An allocation to lower-quality credits also contributed.

Detractors

The portfolio's equity exposure acquired through corporate reorganizations hindered third-quarter results, as did unfavorable security selection in the financials sector.

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Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	5 years	10 years	Since inception
Share price	25 Jun 03	7.28	28.77	6.34	7.04	5.90	5.13
NAV	25 Jun 03	3.11	12.91	4.01	4.02	3.75	4.46

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 (Monthly)	\$0.0540
Average Earnings/Share	\$0.0447
Distribution Rate on NAV	10.96%
Distribution Rate on Market Price	11.19%

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. 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.

Credit quality (%)

	% of portfolio
BBB	10.1%
BB	37.2%
B	47.7%
CCC	4.0%
CC	0.0%
Not Rated	1.0%

Ratings shown are the highest rating given by one of the following national rating agencies: S&P, Moody's or Fitch. 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. Holdings designated NR are not rated by these national rating agencies.

Fund description

The Fund's primary investment objective is high current income; and its secondary objective is total return.

The Fund primarily invests in senior loans, high yield corporate debt, and collateralized loan obligation (CLO) debt. The Fund may invest without limitation in instruments rated below investment grade (rated BB+/Ba1 or lower at the time of investment or unrated but judged to be of comparable quality) but no more than 30% in investments rated CCC/Caa or lower at the time of investment (or unrated but judged to be of comparable quality). The Fund may invest up to 25% of its Managed Assets in collateralized loan obligation (CLO) debt securities. The fund uses leverage.

Portfolio management

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

All characteristics as a percentage of the fund's managed assets (total assets of the fund, minus the sum of its accrued liabilities other than fund liabilities incurred for the express purpose of creating leverage). Holdings and ratings are subject to change. Totals may not add up to 100% due to rounding.

For more information contact: 800.752.8700 or visit 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. **Adjustable Rate Senior Loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Common stock** prices have often experienced significant volatility. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations such as **interest rate risk** are described in more detail on the Fund's web page at www.nuveen.com/JQC.

Average earnings per share and **average undistributed net investment income (UNII) per share** are estimates, using an average of the last three months, except for preferred securities funds, mortgage-backed securities funds and floating rate funds, which use an average of the last six months.

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 **Credit Suisse Leveraged Loan Index** is designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. Loans are added to the index if they qualify according to the following criteria: The highest Moody's/S&P ratings are Ba1/BBB+, only funded term loans are included, and the tenor must be at least one year. **It is not possible to invest directly in an index.**

Nuveen Securities, LLC, member FINRA and SIPC.