

Nuveen Credit Strategies Income Fund (JQC)

Marketing communication | As of 31 Dec 2024

Effective 30 Dec 2024, Coale Mechlin will join Scott Caraher, Kevin Lorenz and Himani Trivedi as portfolio managers of the Nuveen Credit Strategies Income Fund. This change is not expected to impact the overall investment strategy. An 8k was filed on 30 Dec 2024.

- The Fund underperformed its benchmark, the S&P UBS Leveraged Loan Index, during the quarter.
- The U.S economy showed resilience through the end of 2024, with an uptick in job creation and strong consumption spending. Business activity improved, particularly in the service sector. Inflation remained elevated, with the core Personal Consumption Expenditures Price Index registering 2.8% in November. Although core inflation stayed sticky, monetary policy around the globe varied considerably. The Federal Reserve and European Central Bank cut rates, while the Bank of Japan and People's Bank of China stood pat, and the Central Bank of Brazil hiked. Treasury yields increased in the fourth quarter, weighing on fixed income returns broadly, but supporting shorter-duration segments like senior loans and, to a lesser extent, high yield corporates.
- The fourth quarter showcased strong performance across senior loans, CLOs, and high-yield bonds, driven by favorable demand dynamics and technical tailwinds. Senior loans outperformed most taxable fixed income segments, supported by steady retail fund inflows and record CLO issuance of over \$130 billion, which highlighted robust demand despite limited new supply. CLOs continued to play a critical role in supporting the loan market, with technical strength driving outperformance versus similarly rated corporate bonds. Meanwhile, high-yield bonds posted positive returns driven mostly by carry. High yield new issuance slowed as issuers took a cautious wait-and-see approach amid election-related uncertainty.

Portfolio review

The Fund continued to emphasize high-quality loans offering 7%-9% yields, while taking advantage of opportunities created by elevated rates and a slowing economy. We selectively added high yield bonds and loans to capture higher yields, and reduced exposure to CLOs to reallocate to other areas, further

positioning the portfolio up the quality spectrum. As always, we sought to maximize total return through active management featuring a robust credit underwriting framework.

Contributors

Strong issue selection, especially in information technology, contributed the most to the Fund's fourth-quarter performance. Specifically, exposure to a networking equipment company was the top contributor within that sector.

Companies benefiting from the buildout in artificial intelligence, particularly in data infrastructure, also aided relative results.

Detractors

Unfavorable security selection in communication services was the biggest detractor for the period.

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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	1.07	22.19	6.47	5.85	6.04	5.12
NAV	25 Jun 03	2.25	10.60	4.60	4.05	4.00	4.52

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	\$0.0428
Distribution Rate on NAV	11.02%
Distribution Rate on Market Price	11.39%

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	9.8%
BB	35.2%
B	45.7%
CCC	5.4%
CC	0.0%
Not Rated	4.0%

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 **S&P UBS 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.**

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