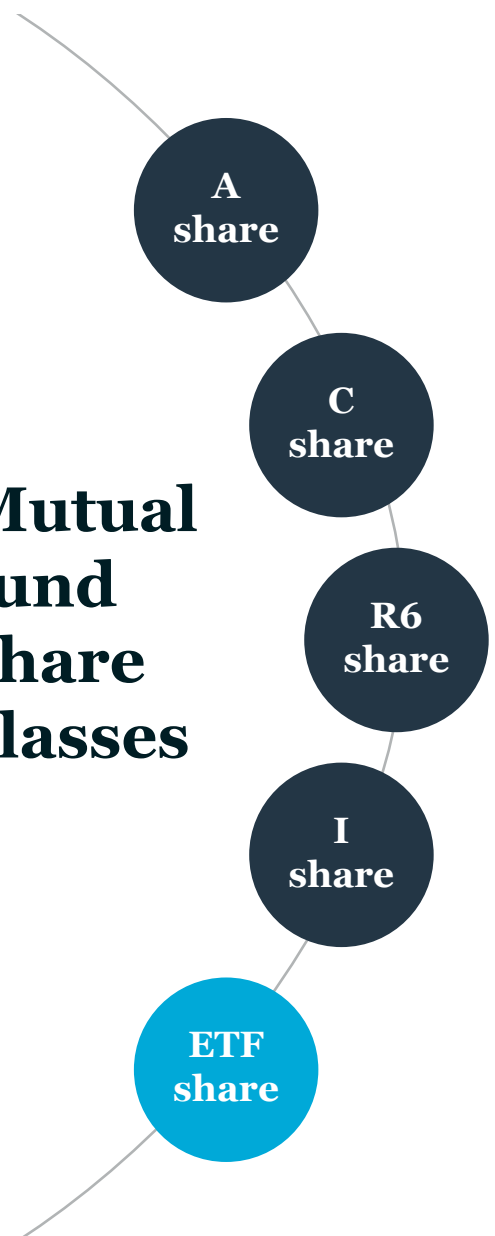


What does the ETF share class mean for investors?

The ETF share class structure represents the next evolution in fund accessibility. This multi-share class structure is designed to provide investors with the intraday trading flexibility and liquidity of traditional ETFs, combined with the potential for enhanced tax efficiency that could benefit all shareholders of the fund. Whether for prospective investors seeking the ability to trade throughout the day on an exchange or for existing mutual fund shareholders who could benefit from improved tax management, the ETF share class offers a compelling advancement in how established investment strategies can be accessed.

This represents more than just another product innovation. It is a structural enhancement designed to benefit shareholders across all share classes. Existing mutual fund shareholders gain flexibility to exchange their mutual fund shares for ETF shares without generating a taxable event—eliminating a longstanding barrier for investors who want ETF benefits but do not want to realize capital gains.

Mutual fund share classes



WHAT IS ETF SHARE CLASS?

An ETF share class is an additional share class of an existing mutual fund, with all share classes connected to a single underlying portfolio, providing access to the same investment strategy. The assets within both the traditional mutual fund share classes and the ETF share class are invested in the same stocks, bonds or other assets managed by the same portfolio team with the same investment approach.

The key distinction lies in how the investment is accessed and traded. Traditional mutual fund share classes are purchased directly from the fund manager at the end-of-day net asset value (NAV). The ETF share class is traded on an exchange throughout the day at market prices, providing the same intraday flexibility as traditional standalone ETFs. This means investors can access the same underlying investment strategy through the vehicle that best fits their needs, whether through a traditional mutual fund share class or the ETF share class.

WHY IS THIS HAPPENING NOW?

The investment landscape has been shifting decisively toward ETFs for over a decade. Since 2014, ETF net flows have consistently outpaced mutual fund flows, reflecting investor preference for the transparency, flexibility and tax efficiency

that ETFs provide. Asset managers have responded with a surge in ETF launches and mutual fund-to-ETF conversions. The ETF share class structure provides another avenue for investors to access this preferred vehicle.

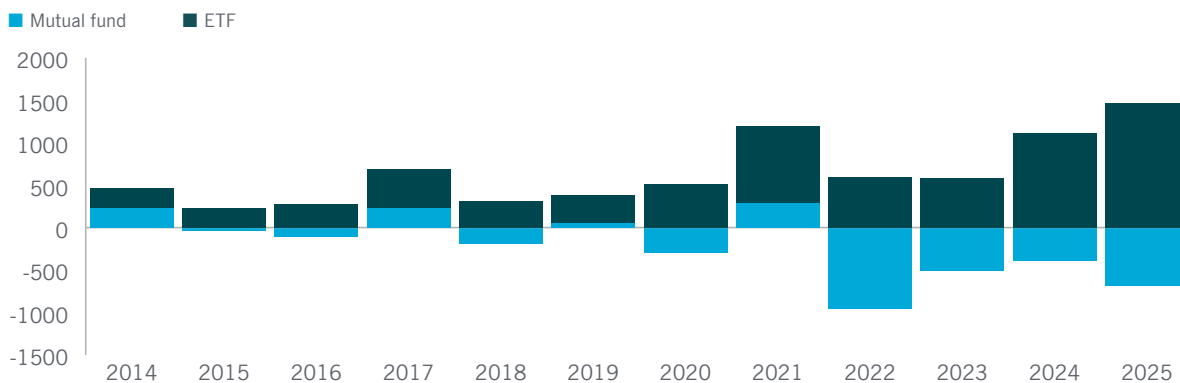
The catalyst for change came in May 2023, when a patent on the unique ETF-as-a-share-class structure expired. This patent had allowed the exclusive offering of ETF share classes of passively managed mutual funds. Following the patent's expiration, other asset managers gained the ability to seek Securities and Exchange Commission (SEC) approval for similar structures, now including both passive and actively managed strategies.

As of December 2025, the SEC had approved 31 firms to offer ETF share classes. Nuveen was among this first wave of firms to gain approval.

WHAT IS THE BENEFIT TO THE INVESTOR?

The ETF share class structure delivers a powerful combination of benefits that address key investor needs: enhanced trading flexibility, improved tax efficiency and seamless access to established investment strategies. Whether for a prospective investor seeking the advantages of the ETF vehicle or an existing mutual fund shareholder looking for greater flexibility, this structure offers meaningful improvements.

Figure 1: U.S. ETFs and mutual funds, by net flows (\$Bn)



Data source: Morningstar as of 31 Dec 2025.

1. Enhanced trading flexibility and access

The ETF share class provides intraday liquidity, enabling investors to buy or sell shares throughout the trading day at market prices. This is a significant advantage for those who value trading flexibility. This intraday trading capability extends beyond individual transactions to benefit portfolio construction and management across different investment vehicles.

Investors also gain greater transparency through daily holdings disclosure, with daily visibility into portfolio positions. The same investment strategy can be accessed through multiple channels: traditional mutual fund share classes through brokerage platforms, retirement plans and/or direct fund purchases, and now through the ETF share class on brokerage platforms with no investment minimums. This flexibility means that investors can choose the most appropriate vehicle for their specific situation while accessing the identical underlying investment approach.

2. Tax efficiency that benefits all shareholders

One of the most compelling advantages of the ETF share class is the potential for enhanced tax efficiency across all share classes of the fund. The ETF structure enables in-kind redemptions for certain institutional investors with large blocks of shares, a mechanism that can significantly reduce capital gains distributions for all shareholders.

The mechanism works as follows: when ETF shares are redeemed, the fund can distribute actual securities from the portfolio rather than selling

those securities for cash. This in-kind transfer is not a taxable event, which means no capital gains are realized or passed through to shareholders. As the portfolio management team adjusts allocations over time, they can strategically use this in-kind redemption process to exit positions without triggering capital gains, potentially reducing the tax burden for both ETF shareholders and traditional mutual fund shareholders in the same fund.

For existing mutual fund shareholders with embedded capital gains, this structure provides an additional layer of flexibility previously unavailable, the ability to exchange into the ETF share class without triggering a taxable event.

3. Established strategies, modern structure

The ETF share class structure bridges the gap between traditional mutual fund investing and modern ETF preferences. Investors gain access to mutual funds with established track records and experienced portfolio management teams through the tax-efficient, flexible structure of an ETF. Rather than choosing between a familiar mutual fund strategy and ETF benefits, investors can now have both—accessing the same portfolio management expertise and investment approach through their preferred vehicle.

This structural convergence addresses a longstanding challenge in the industry: how to provide investors with the advantages of ETFs while maintaining continuity for existing mutual fund shareholders and preserving investment strategies that have long-term history.

LOOKING AHEAD

As Nuveen brings the ETF share class to market, investors can access our established investment strategies through their preferred method, whether a mutual fund in a retirement plan or via direct purchase, or a mutual fund or ETF on a brokerage platform.

To learn more about Nuveen's ETF share class offerings, please consult with your local Nuveen representative or visit [nuveen.com](https://www.nuveen.com).

Before investing, carefully consider fund investment objectives, risks, charges and expenses. For this and other information that should be read carefully, please request a prospectus or summary prospectus from your financial professional or Nuveen at 800.257.8787 or visit [nuveen.com](https://www.nuveen.com).

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