

NUVEEN DIVERSIFIED DIVIDEND & INCOME FUND  
Form N-CSRS  
June 08, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21407  
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Nuveen Diversified Dividend and Income Fund  
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(Exact name of registrant as specified in charter)

Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
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(Address of principal executive offices) (Zip code)

Jessica R. Droeger  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
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(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700  
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Date of fiscal year end: December 31  
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Date of reporting period: March 31, 2006  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. SS. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

QUARTERLY REPORT March 31, 2006

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(Unaudited)

Nuveen Investments  
Exchange-Traded  
Closed-End  
Funds

NUVEEN  
DIVERSIFIED  
DIVIDEND AND  
INCOME FUND  
JDD

HIGH CURRENT INCOME AND TOTAL RETURN FROM A PORTFOLIO OF DIVIDEND-PAYING COMMON STOCKS, REIT STOCKS, EMERGING MARKETS SOVEREIGN DEBT, AND SENIOR LOANS

Chairman's Letter  
For period ended March 31, 2006

Dear Shareholder:

I am very pleased to report that over the 3-month period covered by this report, your Fund continued to provide you with attractive monthly distributions and diversified exposure to a variety of important market sectors and asset classes. For more information on your Fund's performance, please read the Portfolio Managers' Comments, the Distribution and Share Price Information, and the Performance Overview sections of this report.

Portfolio diversification is a recognized way to try to reduce some of the risk that comes with investing. Since one part of your portfolio may be going up when another is going down, portfolio diversification may help smooth your investment returns over time. In addition to providing regular monthly income, an investment like your Fund may help you achieve and benefit from greater portfolio diversification. Your financial advisor can explain these potential advantages in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

TIMOTHY R. SCHWERTFEGER  
Chairman of the Board  
May 3, 2006

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Callout:

"In addition to providing regular monthly income, an investment like your Fund may help you achieve and benefit from greater portfolio diversification."

Portfolio Managers' Comments

THE NUVEEN DIVERSIFIED DIVIDEND AND INCOME FUND FEATURES PORTFOLIO MANAGEMENT BY TEAMS AT FOUR SUBADVISERS:

NWQ Investment Management Company, LLC, an affiliate of Nuveen Investments, invests its portion of the Fund's assets in dividend-paying common stocks. Jon Bosse, Chief Investment Officer of NWQ, leads the Fund's management team at that firm. He has more than 22 years of corporate finance and investment management experience.

The real estate portion of the Fund is managed by a team at Security Capital Research & Management Incorporated, a wholly-owned subsidiary of J. P. Morgan Chase & Co. Anthony R. Manno Jr. and Kenneth D. Statz, who each have more than 22 years experience in managing real estate investments, lead the team.

Wellington Management Company, LLP invests its portion of the Fund's assets in emerging markets sovereign debt and foreign corporate bonds. James W. Valone, who has more than 18 years of investment management experience, heads the team.

Symphony Asset Management, LLC, an affiliate of Nuveen Investments, invests its portion of the Fund's assets in senior loans. The Symphony team is led by Gunther Stein and Lenny Mason, who have more than 25 years of combined investment management experience.

Here representatives from NWQ, Security Capital, Wellington Management and Symphony talk about the markets, their management strategies and the performance of the Fund for the 3-month period ended March 31, 2006.

WHAT WAS YOUR OVERALL MANAGEMENT STRATEGY FOR THE 3 MONTH PERIOD ENDED MARCH 31, 2006?

We view the leveraged loan market favorably but given the current credit environment we continued to take a defensive stance in positioning our loan portfolios. The loan market continued to demonstrate many positive characteristics that we think make the asset class attractive. Market liquidity was better than it has ever been, investor appetite remained strong and many high quality deals came to market. Strong investor demand, however, also allowed many deals to be structured with aggressive leverage levels. It is this environment and market dynamic that leads us to avoid credits we feel are too aggressively leveraged or do not have a sound credit profile. We still do not feel that now is the appropriate time to be reaching for yield or getting involved with what we consider to be marginal credits.

We avoided many small loans that are supporting leveraged buyouts as we feel that market liquidity could be challenged if the credit

experiences any negative events. We focused on adding high quality new-issue loans at par as we do not believe that paying 101 or higher for loans is prudent in the current environment. We also continued to avoid the vast majority of second lien loans. At current trading levels we do not believe that most second

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lien loans compensate investors for the risk these credits pose over a credit cycle. Should the economy weaken, we believe that second lien loans could see significant downside from current levels.

For the dividend-paying common stock portion of the Fund's portfolio, we continued to employ an opportunistic, bottom-up strategy that focuses on identifying undervalued companies that possess favorable risk/reward characteristics as well as emerging catalysts that can unlock value or improve profitability. These catalysts include management changes, restructuring efforts, recognition of hidden assets, or a positive change in the underlying fundamentals. We also focus on downside protection, and pay a great deal of attention to a company's balance sheet and cash flow statement, not just the income statement. We believed that cash flow analysis offers a more objective and truer picture of a company's financial position than an evaluation based on earnings alone.

During the course of the quarter, we took new common stock positions in CBS Corp., Clear Channel Communications Inc., and Stora Enso OYJ - a Finland-based paper and board manufacturer. We believe investors have low expectations for CBS and Clear Channel, which gives these stocks very attractive risk reward profiles at current levels. We eliminated Albertson's Inc. from the portfolio after the company received a buyout offer from a consortium led by Supervalu Inc., and trimmed our stakes in Aon Corp., Alumina Ltd, Dow Jones & Company Inc., Energias de Portugal SA, and Rio Tinto PLC based on valuation.

The JP Morgan Emerging Markets Bond Index Global Diversified (EMBIGD) rose by 1.73% in the first quarter of 2006, as the market confronted two strong but countervailing forces. On the negative side, bond markets in developed countries came under pressure, as fears of tightening global liquidity resurfaced. On the positive side, credit trends remained constructive in emerging markets, which drove spread levels tighter. In the face of these market tensions, the Portfolio outperformed its benchmark with a return of 2.13%.

Finally, for the real estate portion of the fund we continued to focus on finding what we believed would be the best opportunities to generate sustainable income and potential price appreciation over the long-run. In particular, we sought to maintain significant diversification within this sector while taking into account company credit quality, sector and geographic exposure and security-type allocations. Every investment decision was based on a multi-layered analysis of the company, the real estate it owns, its management and the relative price of the security.

### HOW DID THE FUND PERFORM DURING THE PERIOD?

Fund performance results, as well as the performance of a comparative benchmark, are shown in the accompanying table:

Total Return on Net Asset Value\*  
For 3-month period ended March 31, 2006

JDD

7.73%

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Comparative Benchmark(1) 6.29%

\*Three-month returns are cumulative

Past performance does not guarantee future results. Current performance may be higher or lower than the data shown.

Returns do not reflect the deduction of taxes that a shareholder may have to pay on Fund distributions or upon the sale of Fund shares.

See the Performance Overview page for additional information.

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(1) Comparative benchmark performance is a blended return consisting of 1) 18.75% of the return of the Russell 3000 Value Index, which measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values, 2) 6.25% of the return of the MSCI EAFE ex-Japan Value Index, a capitalization weighted index that selects the lower 50% of the price-to-book ranked value stocks traded in the developed markets of Europe, Asia and the Far East, excluding Japan, 3) 25% of the return of the Dow Jones Wilshire Real Estate Securities Index, an unmanaged, market-capitalization-weighted index comprised of publicly traded REITs and real estate companies, 4) 25% of the return of the JP Morgan EMBI Global Diversified Index, which tracks total returns for U.S.-dollar denominated debt instruments issued by emerging markets sovereign and quasi-sovereign entities, and 5) 25% of the return of the CSFB Leveraged Loan Index, which consists of approximately \$150 billion of tradable term loans with at least one year to maturity and rated BBB or lower. Index returns do not include the effects of any sales charges or management fees. It is not possible to invest directly in an index.

Several securities positively impacted the performance of the senior loan component of the portfolio. Federal Mogul, SunGard Data Systems and Charter Communications all positively impacted the fund's performance over the first quarter. The Federal Mogul term loan and revolver traded up during the period due to the expectation that the company will emerge out of bankruptcy soon. Steady operations and financial results have showed progress in the company's Chapter 11 emergence.

Our common equity investments in the domestic telecommunication sector appreciated during the quarter as investor sentiment has recently turned positive due to the group's attractive valuations and more stable near-term fundamentals. Significant consolidation has occurred, including SBC Communications' acquisition of AT&T Inc., and the recent agreement to purchase Bellsouth Corp. Another of our telecommunication holdings, Verizon Communications, may be negotiating with Vodafone Group Inc. to acquire the 45% stake of Verizon Wireless that it does not already own. These telecommunication investments appreciated between 10-13% for the period, while Telecom Italia SPA was flat, and Korean-based KT Corp. declined 1%.

As we have noted in past commentaries, global consolidation of the steel sector is driving more favorable industry fundamentals. This quarter we saw more consolidation as the world's largest steel manufacturer, Mittal Steel Co. NV, launched a hostile takeover for its closest rival, Luxemburg-based Arcelor. This move helped drive steel stocks higher on speculation that more deals will emerge. Korean-based POSCO has been mentioned as a likely target given its high profitability, exposure to China, and large foreign shareholder base. Our investment in POSCO appreciated 29% for the period, while iron ore producer Rio Tinto Plc contributed with a 13% gain.

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Fundamentals of the paper and packaging industry continued to improve. Our positions in International Paper Inc. and Stora Enso OYJ rose 3% and 14%, respectively. Our other paper holding, Packaging Corporation of America, posted a modest decline for the quarter.

The release of the federal government budget review was a strong catalyst for the rise of our defense stocks as the review suggested a secure multi-year industry outlook with no severe congressional spending cuts for key defense programs. Our investments in Lockheed Martin Corp. and Raytheon Co. gained 18% and 14%, respectively.

Lastly, despite a couple of setbacks, our financial stocks also performed reasonably well. Mortgage originator IndyMac Bancorp Inc. gained 5% due to its attractive valuation and benign inflation news that appears to be keeping a ceiling on long-term interest rates. Our investment in Fannie Mae also rose 5% as government regulators near completion of their investigation into the company's accounting practices.

In the emerging markets sovereign debt portion of the portfolio, positive alpha was generated by overweight positions in Argentina, Brazil, and the Philippines, and underweight positions in Poland, Hungary and Egypt. Security selection was positive in Ecuador, Russia and Mexico.

In general over this period for the real estate stock segment of the fund, we favored real estate companies with high quality management teams, strong balance sheets and potential for price appreciation generally situated in urban markets characterized by high barriers-to-entry. In each case, we sought real estate securities that were priced at a discount according to our long-term discounted cash flow valuation analysis. As described above, this analysis benefited the portfolio's performance as we owned five major M&A targets that experienced significant price appreciation during the year. We also actively researched a growing number of IPO's in the past 12 months and have selectively invested in those we believe will thrive in the public arena.

Each Fund had holdings that constrained the Fund's performance over this reporting period. In the senior loan sleeve of the fund, one position that had a negative impact on the portfolio was D.R. Horton. These bonds have generally traded down because they are "yield to call," shorter dated bonds that are now accreting down to their call

price. Additionally, the homebuilding sector has generally traded down due to the slowdown in the housing market.

The equity portfolio experienced modest declines of roughly 3-5% in some of our larger holdings such as Altria Group Inc., Citigroup Inc., and Kimberly-Clark Corp. that served as a hindrance on performance. Other underperformers include our investment in Hartford Financial Services Group Inc., which declined 6% due to increased competition in its domestic variable annuity business, as well as concerns that pricing in the property casualty insurance industry is not holding up to the positive expectations which followed in the aftermath of Hurricane Katrina.

Our investment in Dominion Resources Inc., an integrated gas and electric utility company, declined 10% as the company lowered its 2006 earnings forecast due to rising exploration & production costs, and our stake in CBS Corp. fell

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10% since purchased in January on concerns of the soft advertising environment and weakness in their radio division. Lastly, American Home Mortgage Investment Corp. a mortgage REIT, suffered a 4% decline as the company missed its fourth quarter earnings forecast because its mortgage holdings were adversely affected by extremely weak market conditions late in the quarter. These market conditions have greatly improved over the last three months, and the company continued to provide a double-digit dividend yield.

In its emerging markets sovereign debt sleeve security selection in Argentina and Venezuela detracted from the Fund's relative performance.

In the real estate portion of the fund, holding preferred real estate stocks hurt the Fund's overall relative performance during this period. The inclusion of preferred stock in the portfolio reflected our belief that many of the higher dividend-paying real estate securities are overvalued and are unattractive total rate of return candidates for the future.

### Distribution and Share Price Information

In addition to owning preferred stocks, the Fund has issued its own preferred shares, called FundPreferred(TM). FundPreferred provides a degree of financial leverage that can enhance the Fund's returns and supplement the income available to pay common shareholder distributions, but also can increase share price volatility. This leveraging strategy provided incremental income and helped enhance shareholder distributions over this reporting period.

The Fund has a managed distribution policy designed to provide relatively stable monthly cash flow to investors. Under this policy, the Fund's monthly distributions will be paid from net investment income generated by its underlying securities as well as from net realized capital gains and/or returns of capital, generally representing net unrealized capital gains. In January of this period, the Fund increased its monthly distribution to \$0.110 per share.

As of March 31, 2006, the Fund was trading at a -5.15% discount to its net asset value. This discount was greater than the average -4.02% discount the Fund exhibited over the course of the three-month reporting period.

Nuveen Diversified Dividend and Income Fund  
JDD

### Performance

OVERVIEW As of March 31, 2006

### PORTFOLIO ALLOCATION

(as a % of total investments)

-----  
Real Estate Investment Trust  
Common Stock, \$25 Par  
(or similar) Securities, and

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Convertible Bonds	30.3%
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Common Stocks	25.0%
-----	
Emerging Markets	
Sovereign Debt and Foreign Corporate Bonds	22.1%
-----	
Variable Rate Senior Loan Interests	18.1%
-----	
Corporate Bonds	1.7%
-----	
Short-Term Investments	2.8%
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### Bar Chart:

#### 2005-2006 MONTHLY DISTRIBUTIONS PER SHARE

Apr	0.1025
May	0.1025
Jun	0.1025
Jul	0.1025
Aug	0.1025
Sep	0.1075
Oct	0.1075
Nov	0.1075
Dec	0.1075
Jan	0.1100
Feb	0.1100
Mar	0.1100

### Line Chart:

#### SHARE PRICE PERFORMANCE

#### Weekly Closing Price

Past performance is not predictive of future results.

4/1/2005	14.40
4/8/2005	14.33
4/15/2005	14.09
4/22/2005	14.60
4/29/2005	14.88
5/6/2005	15.15
5/13/2005	14.72
5/20/2005	15.11
5/27/2005	15.14
6/3/2005	15.31
6/10/2005	15.41
6/17/2005	15.33
6/24/2005	15.21
7/1/2005	15.27
7/8/2005	15.53
7/15/2005	15.77
7/22/2005	15.66
7/29/2005	16.00
8/5/2005	16.20
8/12/2005	15.80
8/19/2005	16.00
8/26/2005	15.53
9/2/2005	15.90
9/9/2005	16.24
9/16/2005	15.92
9/23/2005	15.76



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9/30/2005	15.82
10/7/2005	16.05
10/14/2005	15.24
10/21/2005	14.84
10/28/2005	15.12
11/4/2005	15.75
11/11/2005	15.55
11/18/2005	15.71
11/25/2005	15.64
12/2/2005	15.90
12/9/2005	16.05
12/16/2005	16.12
12/23/2005	16.03
12/30/2005	16.35
1/6/2006	16.34
1/13/2006	16.81
1/20/2006	16.65
1/27/2006	16.71
2/3/2006	16.75
2/10/2006	17.00
2/17/2006	16.72
2/24/2006	16.84
3/3/2006	17.08
3/10/2006	17.17
3/17/2006	16.90
3/24/2006	17.05
3/31/2006	16.93

FUND SNAPSHOT

Common Share Price	\$16.93
Common Share Net Asset Value	\$17.85
Premium / (Discount) to NAV	-5.15%
Market Yield(1)	7.80%
Net Assets Applicable to Common Shares (\$000)	\$359,641

AVERAGE ANNUAL TOTAL RETURN  
(Inception 9/25/03)

	ON SHARE PRICE	ON NAV
3-Month (Cumulative)	5.58%	7.73%
1-Year	30.75%	22.11%
Since Inception	14.43%	18.45%

INDUSTRIES

(as a % of total investments)

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Real Estate	30.3%
Sovereign Debt	22.1%
Media	4.6%
Diversified Telecommunication Services	3.5%
Oil, Gas & Consumable Fuels	3.2%
Hotels, Restaurants & Leisure	3.1%
Aerospace & Defense	2.9%
Tobacco	2.4%
Containers & Packaging	1.7%
Diversified Financial Services	1.7%
Thrifts & Mortgage Finance	1.7%
Metals & Mining	1.5%
Electric Utilities	1.5%
Paper & Forest Products	1.5%
Household Durables	1.5%
Short-Term Investments	2.8%
Other	14.0%

REAL ESTATE INVESTMENT TRUST  
TOP FIVE SUB-INDUSTRIES  
(as a % of total investments)

Office	10.4%
Residential	6.1%
Specialized	5.9%
Retail	4.6%
Diversified	1.7%

EMERGING MARKETS SOVEREIGN DEBT  
AND FOREIGN CORPORATE BONDS  
TOP FIVE COUNTRIES  
(as a % of total investments)

Russian Federation	1.8%
Mexico	1.5%
Philippines	1.4%

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Argentina	1.4%
Uruguay	1.2%

(1) Market yield is based on the Fund's current annualized monthly distribution divided by the Fund's current market price. The Fund's monthly distributions to its shareholders may be comprised of ordinary income, net realized capital gains and, if at the end of the calendar year the Fund's cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a tax return of capital.

Nuveen Diversified Dividend and Income Fund (JDD)  
 PORTFOLIO OF INVESTMENTS March 31, 2006 (Unaudited)

SHARES	DESCRIPTION (1)
	COMMON STOCKS - 33.4% (25.0% OF TOTAL INVESTMENTS)
	AEROSPACE & DEFENSE - 2.1%
50,000	Lockheed Martin Corporation
85,000	Raytheon Company
	Total Aerospace & Defense
	CHEMICALS - 0.0%
2,944	Tronox Incorporated, Class B
	COMMERCIAL BANKS - 1.9%
69,200	Bank of America Corporation
65,000	Wachovia Corporation
	Total Commercial Banks
	COMMERCIAL SERVICES & SUPPLIES - 1.3%
105,000	Pitney Bowes Inc.
	CONTAINERS & PACKAGING - 0.9%
146,300	Packaging Corp. of America
	DIVERSIFIED FINANCIAL SERVICES - 2.3%
100,000	Citigroup Inc.
85,000	JPMorgan Chase & Co.

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Total Diversified Financial Services

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DIVERSIFIED TELECOMMUNICATION SERVICES - 4.1%

175,500 AT&T Inc.  
90,000 KT Corporation, Sponsored ADR  
135,000 Sprint Nextel Corporation  
52,500 Telecom Italia S.p.A., Sponsored ADR  
90,600 Verizon Communications Inc.

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Total Diversified Telecommunication Services

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ELECTRIC UTILITIES - 1.4%

67,100 EDP - Energias de Portugal, S.A., Sponsored ADR  
118,000 Korea Electric Power Corporation (KEPCO), Sponsored ADR

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Total Electric Utilities

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FOOD & STAPLES RETAILING - 0.4%

60,812 J. Sainsbury PLC, Sponsored ADR

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HOUSEHOLD DURABLES - 0.8%

112,000 Newell Rubbermaid Inc.

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HOUSEHOLD PRODUCTS - 1.2%

73,000 Kimberly-Clark Corporation

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INSURANCE - 1.4%

60,000 Aon Corporation  
30,000 Hartford Financial Services Group, Inc.

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Total Insurance

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MEDIA - 1.2%

55,000 CBS Corporation, Class B  
57,300 Clear Channel Communications, Inc.  
33,900 Dow Jones & Company, Inc.

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Total Media

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METALS & MINING - 1.8%

84,900 Alumina Limited, Sponsored ADR  
33,000 POSCO, ADR  
12,100 Rio Tinto PLC, Sponsored ADR

-----  
Total Metals & Mining  
-----

MULTI-UTILITIES - 1.0%

25,000 Dominion Resources, Inc.  
82,800 United Utilities PLC, Sponsored ADR

-----  
Total Multi-Utilities  
-----

OIL, GAS & CONSUMABLE FUELS - 3.7%

33,000 Chevron Corporation  
41,800 ConocoPhillips  
57,500 Eni S.p.A., Sponsored ADR  
14,605 Kerr-McGee Corporation  
30,000 Total SA, Sponsored ADR

-----  
Total Oil, Gas & Consumable Fuels  
-----

PAPER & FOREST PRODUCTS - 1.4%

105,500 International Paper Company  
97,000 Stora Enso Oyj, Sponsored ADR

-----  
Total Paper & Forest Products  
-----

PHARMACEUTICALS - 1.1%

110,000 Merck & Co. Inc.

-----  
THRIFTS & MORTGAGE FINANCE - 2.2%

81,600 Fannie Mae  
94,100 IndyMac Bancorp, Inc.

-----  
Total Thrifts & Mortgage Finance  
-----

TOBACCO - 3.2%

88,200 Altria Group, Inc.  
113,000 Loews Corp - Carolina Group

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Total Tobacco

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TOTAL COMMON STOCKS (COST \$92,624,141)

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SHARES	DESCRIPTION (1)
	REAL ESTATE INVESTMENT TRUST COMMON STOCKS - 38.2% (28.7% OF TOTAL INVESTMENTS)
	DIVERSIFIED - 2.3%
455,000	Newkirk Realty Trust, Inc.
	INDUSTRIAL - 1.3%
106,000	First Industrial Realty Trust, Inc.
	MORTGAGE - 0.8%
45,000	American Home Mortgage Investment Corp.
220,000	MFA Mortgage Investments, Inc.
	Total Mortgage
	OFFICE - 12.7%
200,300	Brandywine Realty Trust
219,100	Equity Office Properties Trust
192,000	Glenborough Realty Trust Incorporated
435,600	HRPT Properties Trust
158,900	Mack-Cali Realty Corporation
146,800	Maguire Properties, Inc.
115,400	Reckson Associates Realty Corporation
416,000	Republic Property Trust
	Total Office
	RESIDENTIAL - 7.1%
114,900	Archstone-Smith Trust
57,500	AvalonBay Communities, Inc.
86,200	Camden Property Trust
164,400	Post Properties, Inc.
	Total Residential

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 RETAIL - 6.2%

252,900 Cedar Shopping Centers Inc.  
 73,500 Federal Realty Investment Trust  
 221,000 Kite Realty Group Trust  
 49,900 Macerich Company  
 107,100 New Plan Excel Realty Trust  
 32,400 Simon Property Group, Inc.

-----  
 Total Retail  
 -----

SPECIALIZED - 7.8%

78,500 Cogdell Spencer Inc.  
 350,000 DiamondRock Hospitality Company  
 338,736 Hersha Hospitality Trust  
 166,000 Nationwide Health Properties, Inc.  
 293,800 Senior Housing Properties Trust  
 90,700 Shurgard Storage Centers, Inc., Class A  
 165,800 U-Store-It Trust

-----  
 Total Specialized  
 -----

TOTAL REAL ESTATE INVESTMENT TRUST COMMON STOCKS (COST \$101,686,468)  
 =====

SHARES	DESCRIPTION (1)	COUPON
	REAL ESTATE INVESTMENT TRUST \$25 PAR (OR SIMILAR) SECURITIES - 1.0% (0.8% OF TOTAL RESIDENTIAL - 1.0%	
150,000	Apartment Investment & Management Company, Series U	7.750%

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 TOTAL REAL ESTATE INVESTMENT TRUST \$25 PAR (OR SIMILAR) SECURITIES (COST \$3,750,000)  
 =====

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	COUPON	MATURITY
	REAL ESTATE INVESTMENT TRUST CONVERTIBLE BONDS - 1.1% (0.8% OF TOTAL INVESTMENTS) OFFICE - 1.1%		
\$ 4,215	Trizec Hahn Corporation	3.000%	1/29/2

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\$ 4,215 TOTAL REAL ESTATE INVESTMENT TRUST CONVERTIBLE BONDS (COST \$3,070,426)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	WEIGHTED AVERAGE COUPON	MATURIT
VARIABLE RATE SENIOR LOAN INTERESTS - 24.2% (18.1% OF TOTAL INVESTMENTS) (4)			
AEROSPACE & DEFENSE - 1.8%			
\$ 2,467	Hexcel Corporation, Term Loan B	6.375%	3/
1,825	K&F Industries, Inc., Term Loan B	7.008%	11/
1,617	Vought Aircraft Industries, Inc., Term Loan	7.330%	12/22/1
364	Vought Aircraft Industries, Inc., Tranche B, Letter of Credit	6.885%	12/22/1
6,273	Total Aerospace & Defense		
AUTO COMPONENTS - 1.7%			
2,500	Federal-Mogul Corporation, Term Loan A, (5)	7.080%	2/24/0
1,879	Gen Tek Inc., Term Loan B	7.525%	12/31/1
1,217	Tenneco Automotive Inc., Term Loan B	7.020%	12/12/1
534	Tenneco Automotive Inc., Term Loan B-1	7.076%	12/12/1
6,130	Total Auto Components		
BUILDING PRODUCTS - 1.1%			
1,970	Nortek, Inc., Term Loan B	6.695%	8/27/1
989	Stile Acquisition Corp., Canadian Term Loan	6.634%	4/08/1
991	Stile Acquisition Corp., Term Loan B	6.634%	4/08/1
3,950	Total Building Products		
CHEMICALS - 0.6%			
1,980	Rockwood Specialties Group, Inc., Term Loan E	6.668%	7/30/1
COMMERCIAL SERVICES & SUPPLIES - 0.7%			
669	Allied Waste North America, Inc., Letter of Credit	6.000%	3/21/1
1,723	Allied Waste North America, Inc., Term Loan B	6.796%	1/15/1
2,392	Total Commercial Services & Supplies		



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CONTAINERS & PACKAGING - 1.4%				
2,963	Graham Packaging Company, L.P., Term Loan B		6.970%	10/07/1
175	Smurfit-Stone Container Corporation, Deposit-Funded Commitment		2.100%	11/01/1
1,253	Smurfit-Stone Container Corporation, Term Loan B		7.103%	11/01/1
425	Smurfit-Stone Container Corporation, Term Loan C		7.064%	11/01/1
133	Smurfit-Stone Container Corporation, Tranche C-1		6.938%	11/01/1
4,949	Total Containers & Packaging			
DIVERSIFIED TELECOMMUNICATION SERVICES - 0.6%				
1,975	Intelsat, Ltd., Term Loan B		6.750%	7/06/1
ELECTRIC UTILITIES - 0.6%				
2,000	Mirant Corporation, Term Loan		6.441%	1/03/1
ELECTRICAL EQUIPMENT - 0.5%				
1,583	Sensus Metering Systems Inc., Term Loan B-1		7.297%	12/17/1
210	Sensus Metering Systems Inc., Term Loan B-2		7.351%	12/17/1
1,793	Total Electrical Equipment			
FOOD PRODUCTS - 0.8%				
2,926	Michael Foods, Inc., Term Loan B		6.698%	11/20/1
HEALTH CARE EQUIPMENT & SUPPLIES - 0.2%				
877	Kinteic Concepts, Inc., Term Loan B-2		6.730%	8/11/1
HEALTH CARE PROVIDERS & SERVICES - 1.6%				
1,883	Davita Inc., Term Loan B		6.689%	10/05/1
2,085	LifePoint Hospitals Holdings, Inc., Term Loan B		6.185%	4/15/1
2,000	Quintiles Transnational Corporation, Term Loan B, WI/DD		TBD	TB
5,968	Total Health Care Providers & Services			
HOTELS, RESTAURANTS & LEISURE - 2.8%				
2,000	24 Hour Fitness Worldwide, Inc., Term Loan B		7.620%	6/08/1
3,491	Burger King Corporation, Term Loan B		6.500%	6/30/1

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1,990	Penn National Gaming, Inc., Term Loan B	6.387%	10/03/1
513	Venetian Casino Resort, LLC, Delayed Draw, Term Loan	6.730%	6/15/1
2,487	Venetian Casino Resort, LLC, Term Loan	6.730%	6/15/1
-----			
10,481	Total Hotels, Restaurants & Leisure		
-----			
	INSURANCE - 0.4%		
1,294	Conseco, Inc., Term Loan	6.503%	6/22/1
-----			
	IT SERVICES - 1.1%		
1,755	Fidelity National Information Services, Term Loan B	6.470%	3/09/1
1,990	SunGard Data Systems Inc., Term Loan B	7.215%	2/11/1
-----			
3,745	Total IT Services		
-----			
	MEDIA - 4.9%		
2,000	Cablevision Systems Corporation, Incremental Term Loan, WI/DD	TBD	TBD
1,963	Charter Communications Operating, LLC, Term Loan B	7.920%	4/07/1
1,386	Dex Media West, LLC, Term Loan B	6.530%	3/09/1
863	Emmis Operating Company, Term Loan	6.530%	11/10/1
2,000	Metro-Goldwyn-Mayer Studios, Inc., Term Loan B	7.229%	4/08/1
1,726	R. H. Donnelley Inc., Tranche D	6.625%	6/30/1
1,980	Rainbow Media Holdings LLC, Term Loan	7.563%	3/31/1
1,900	Regal Cinemas Corporation, Term Loan	6.729%	11/10/1
2,000	UPC Financing Partnership, Term Loan H2	7.280%	9/30/1
1,957	WVG Acquisition Corp., Term Loan	6.679%	2/28/1
-----			
17,775	Total Media		
-----			
	METALS & MINING - 0.3%		
944	Amsted Industries Incorporated, Term Loan B	7.150%	10/15/1
-----			
	MULTILINE RETAIL - 0.3%		
949	Neiman Marcus Group Inc., Term Loan	7.340%	3/28/1
-----			
	MULTI-UTILITIES - 0.6%		
371	NRG Energy Inc., Credit-Linked Deposit	6.979%	2/01/1
1,629	NRG Energy Inc., Term Loan	6.820%	2/01/1
-----			
2,000	Total Multi-Utilities		
-----			
	OIL, GAS & CONSUMABLE FUELS - 0.6%		
387	Targa Resources Inc., Synthetic Letter of Credit	7.229%	10/10/1
1,605	Targa Resources Inc., Term Loan B	7.091%	10/10/1

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1,992	Total Oil, Gas & Consumable Fuels		
	PAPER & FOREST PRODUCTS - 0.6%		
1,995	Georgia-Pacific Corporation, Term Loan B	6.885%	12/20/1
	REAL ESTATE MANAGEMENT & DEVELOPMENT - 0.5%		
1,811	LNR Property Corporation, Term Loan	7.642%	2/03/0
	ROAD & RAIL - 0.2%		
130	Hertz Corporation, Delayed Draw Term Loan (6)	2.250%	12/21/1
111	Hertz Corporation, Synthetic Term Loan	4.930%	12/21/1
757	Hertz Corporation, Term Loan	6.980%	12/21/1
998	Total Road & Rail		
	TRADING COMPANIES & DISTRIBUTORS - 0.3%		
196	Brenntag Holdings, Acquisition Facility Term Loan	7.440%	1/20/1
804	Brenntag Holdings, Term Loan	7.440%	1/20/1
1,000	Total Trading Companies & Distributors		
\$ 86,197	TOTAL VARIABLE RATE SENIOR LOAN INTERESTS (COST \$86,037,367)		

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	COUPON	MAT
	EMERGING MARKETS SOVEREIGN DEBT AND FOREIGN CORPORATE BONDS - 29.5% (22.1% OF TOTAL)		
	ARGENTINA - 1.9%		
\$ 885	Argentine Beverages Financial Trust, 144A	7.375%	3/
570	Banco de Galicia y Buenos Aires SA, Reg S	8.190%	1/
2,555	Republic of Argentina	4.889%	8/
7,350	Republic of Argentina	1.330%	12/
545	Transportadora de Gas del Sur SA, Series B-A, Reg S	7.500%	12/
11,905	Total Argentina		
	BRAZIL - 1.6%		
550	Banco Votorantim SA, 144A	6.875%	10/

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450	Braskem S.A., Reg S	11.750%	1/
405	Centrais Eletricas Brasileiras S.A., 144A	7.750%	11/
400	Cia Brasileira de Bebidas	10.500%	12/
250	Federative Republic of Brazil	12.000%	4/
1,240	Federative Republic of Brazil	7.875%	3/
800	Federative Republic of Brazil	5.188%	4/
110	Federative Republic of Brazil	8.250%	1/
285	Federative Republic of Brazil	7.125%	1/
425	Vale Overseas Limited	6.250%	1/
390	Vale Overseas Limited	8.250%	1/
-----			
5,305	Total Brazil		
-----			
	BULGARIA - 0.4%		
1,100	Republic of Bulgaria, Reg S	8.250%	1/
-----			
	CHILE - 1.2%		
600	Coldelco Inc., Reg S	6.375%	11/
1,100	Corporacion Nacional del Cobre, 144A	4.750%	10/
430	Corporacion Nacional del Cobre, 144A	5.500%	10/
550	Enersis SA	7.375%	1/
1,100	Empresa Nacional del Petroleo, 144A	4.875%	3/
550	Republic of Chile	6.875%	4/
-----			
4,330	Total Chile		
-----			
	CHINA - 0.2%		
610	China Development Bank	5.000%	10/
-----			
	COLOMBIA - 0.5%		
700	Republic of Colombia	10.000%	1/
350	Republic of Colombia	11.750%	2/
445	Republic of Colombia	8.125%	5/
-----			
1,495	Total Colombia		
-----			
	DOMINICAN REPUBLIC - 1.1%		
1,525	Dominican Republic, 144A	8.625%	4/
2,031	Dominican Republic, Reg S	4.520%	1/
-----			
3,556	Total Dominican Republic		
-----			
	ECUADOR - 1.0%		
1,125	Republic of Ecuador, 144A	9.375%	12/

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2,525	Republic of Ecuador, Reg S	
-----		
3,650	Total Ecuador	
-----		
	EL SALVADOR - 0.9%	
850	Republic of El Salvador, 144A	
400	Republic of El Salvador, Reg S	
750	Republic of El Salvador, Reg S	
1,080	Republic of El Salvador, Reg S	
-----		
3,080	Total El Salvador	
-----		
	GUATEMALA - 0.3%	
880	Republic of Guatemala, 144A	
175	Republic of Guatemala, Reg S	1
-----		
1,055	Total Guatemala	
-----		
	HONG KONG - 0.2%	
890	HKSAR Government, 144A	
-----		
	INDONESIA - 1.3%	
390	Adaro Finance B.V., 144A	
315	Excelcomindo Finance Company B.V., 144A	
2,030	Republic of Indonesia, 144A	
906	Republic of Indonesia, 144A	
850	Republic of Indonesia, 144A	
-----		
4,491	Total Indonesia	
-----		
	KAZAKHSTAN - 0.2%	
500	Kazkommerts International BV, 144A	
300	Tengizchevroil Finance Company, 144A	
-----		
800	Total Kazakhstan	
-----		
	MALAYSIA - 1.2%	
1,100	Malaysia	
1,000	Malaysia	
1,125	Petronas Capital Limited, Reg S	
200	Petronas Capital Limited, Reg S	

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550	Sarawak International		
<hr/>			
3,975	Total Malaysia		
<hr/>			
	MEXICO - 1.9%		
550	America Movil S.A. de C.V.		
895	Conproca SA, Reg S		1
1,200	Pemex Project Funding Master Trust		
590	Pemex Project Funding Master Trust		
750	Pemex Project Funding Master Trust		
1,395	Pemex Project Funding Master Trust		
405	Pemex Project Funding Master Trust, 144A		
275	Petroleos Mexicanos		
721	United Mexican States		
<hr/>			
6,781	Total Mexico		
<hr/>			
	PANAMA - 0.8%		
390	Republic of Panama	9.625%	2/
984	Republic of Panama	6.700%	1/
1,300	Republic of Panama	7.125%	1/
<hr/>			
2,674	Total Panama		
<hr/>			
	PERU - 0.7%		
1,334	Republic of Peru	5.000%	3/
1,126	Republic of Peru	5.000%	3/
<hr/>			
2,460	Total Peru		
<hr/>			
	PHILIPPINES - 1.9%		
255	Bangko Sentral Pilipinas, Series A	8.600%	6/
750	National Power Corporation, 144A	8.630%	8/
1,193	Republic of the Philippines	8.375%	2/
1,500	Republic of the Philippines	8.875%	3/
1,500	Republic of the Philippines	9.375%	1/
1,075	Republic of the Philippines	7.750%	1/
<hr/>			
6,273	Total Philippines		
<hr/>			
	QATAR - 0.5%		
329	Ras Laffan Liquefied Natural Gas Company, 144A	3.437%	9/
689	Ras Laffan Liquefied Natural Gas Company, Reg S	3.437%	9/

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550	State of Qatar, Reg S	9.750%	6/
<hr/>			
1,568	Total Qatar		
<hr/>			
RUSSIAN FEDERATION - 2.4%			
500	Aries Vermögensverwaltung GmbH, Russian Federation Sovereign Collateralized Debt Obligation, Reg S	9.600%	10/
805	GazStream SA, 144A	5.625%	7/
1,500	Russia Federation, Reg S	5.000%	3/
2,050	Russia Ministry of Finance	3.000%	5/
750	Russian Federation, Reg S	11.000%	7/
400	Russian Federation, Reg S	12.750%	6/
550	UBS Luxembourg SA	6.230%	2/
1,000	VTB Capital SA, 144A	7.500%	10/
<hr/>			
7,555	Total Russian Federation		
<hr/>			
SERBIA - 0.6%			
2,500	Republic of Serbia, 144A	3.750%	11/
<hr/>			
SOUTH AFRICA - 1.2%			
3,980	Republic of South Africa	9.125%	5/
<hr/>			
SOUTH KOREA - 0.8%			
380	C&M Finance Limited, 144A	8.100%	2/
410	Hanarotelecom Inc., 144A	7.000%	2/
2,020	Korea Development Bank	4.625%	9/
<hr/>			
2,810	Total South Korea		
<hr/>			
THAILAND - 0.1%			
250	Bangkok Bank Public Company Limited, Reg S	9.025%	3/
180	National Gas Company of Trinidad and Tobago, 144A	6.050%	1/
<hr/>			
430	Total Thailand		
<hr/>			
TRINIDAD AND TOBAGO - 0.6%			
300	First Citizens Saint Lucia, Reg S	5.125%	2/
1,233	Republic of Trinidad and Tobago, Reg S	9.750%	7/
<hr/>			
1,533	Total Trinidad and Tobago		

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-----				
	TUNISIA - 0.5%			
1,700	Banque Cent de Tunisie		7.375%	4/
-----				
	TURKEY - 0.9%			
350	Republic of Turkey		11.750%	6/
825	Republic of Turkey		9.000%	6/
425	Republic of Turkey		7.250%	3/
1,350	Republic of Turkey		7.375%	2/
117	Republic of Turkey		6.875%	3/
-----				
3,067	Total Turkey			
-----				
	UKRAINE - 0.7%			
2,000	Ukraine Government, Reg S		7.650%	6/
429	Ukraine Government, Reg S		11.000%	3/
-----				
2,429	Total Ukraine			
-----				
	UNITED KINGDOM - 0.1%			
550	Vedanta Resources PLC, Reg S		6.625%	2/
-----				
	URUGUAY - 1.6%			
800	Oriental Republic of Uruguay		7.625%	3/
2,150	Republic of Uruguay		7.250%	2/
315	Republic of Uruguay		7.500%	3/
970	Republic of Uruguay		9.250%	5/
1,300	Republic of Uruguay		8.000%	11/
-----				
5,535	Total Uruguay			
-----				
	VENEZUELA - 1.3%			
505	Petrozuata Finance Inc., Reg S		8.220%	4/
550	Republic of Venezuela		8.500%	10/
1,215	Republic of Venezuela		5.750%	2/
1,935	Republic of Venezuela, Reg S		5.375%	8/
580	Republic of Venezuela, Reg S		7.000%	12/
-----				
4,785	Total Venezuela			
-----				
	VIETNAM - 0.9%			
2,470	Socialist Republic of Vietnam		5.875%	3/
595	Socialist Republic of Vietnam, 144A		6.875%	1/
-----				



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3,065	Total Vietnam		
-----			
\$ 105,937	TOTAL EMERGING MARKETS SOVEREIGN DEBT AND FOREIGN CORPORATE BONDS (COST \$102,364,8		
=====			

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	COUPON	MAT
-----			
	CORPORATE BONDS - 2.3% (1.7% OF TOTAL INVESTMENTS)		
	HOTELS, RESTAURANTS & LEISURE - 1.1%		
\$ 2,000	Aztar Corporation	9.000%	8/
2,000	MGM Mirage, Inc.	6.750%	8/
-----			
4,000	Total Hotels, Restaurants & Leisure		
-----			
	HOUSEHOLD DURABLES - 1.2%		
2,000	D.R. Horton, Inc.	7.500%	12/
2,000	KB Home	8.625%	12/
-----			
4,000	Total Household Durables		
-----			
\$ 8,000	TOTAL CORPORATE BONDS (COST \$8,408,218)		
=====			

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	COUPON	MAT
-----			
	SHORT-TERM INVESTMENTS - 3.7% (2.8% OF TOTAL INVESTMENTS)		
\$ 13,236	Repurchase Agreement with State Street Bank, dated 3/31/06, repurchase price \$13,240,520, collateralized by \$10,940,000, U.S. Treasury Bonds, 7.500%, due 11/15/16, value \$13,504,631	4.250%	4/
=====			
	TOTAL SHORT-TERM INVESTMENTS (COST \$13,235,832)		
=====			
	TOTAL INVESTMENTS (COST \$411,177,301) - 133.4%		
=====			
	OTHER ASSETS LESS LIABILITIES - 0.0%		
=====			
	FUNDPREFERRED SHARES, AT LIQUIDATION VALUE - (33.4)%		
=====			
	NET ASSETS APPLICABLE TO COMMON SHARES - 100%		
=====			

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- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
- (3) Senior Loans in the Fund's portfolio generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a Borrower to prepay, prepayments of Senior Loans in the Fund's portfolio may occur. As a result, the actual remaining maturity of Senior Loans held in the Fund's portfolio may be substantially less than the stated maturities shown.
- (4) Senior Loans in which the Fund invests generally pay interest at rates which are periodically adjusted by reference to a base short-term, floating lending rate plus an assigned fixed rate. These floating lending rates are generally (i) the lending rate referenced by the London Inter-Bank Offered Rate ("LIBOR"), or (ii) the prime rate offered by one or more major United States banks.

Senior loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the Agent Bank and/or Borrower prior to the disposition of a Senior Loan.

- (5) At or subsequent to March 31, 2006, this issue was under the protection of the Federal Bankruptcy Court.
- (6) Position represents an unfunded loan commitment at March 31, 2006.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

ADR American Depositary Receipt.

144A Investments are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

Reg S Regulation S allows U.S. companies to sell securities to persons or entities located outside of the U.S. without registering those securities with the Securities and Exchange Commission. Specifically, Reg S provides a safe harbor from the registration requirements of the Securities Act for the offers and sales of securities by both foreign and domestic issuers that are made outside the United States.

TBD Senior Loan purchased on a when-issued or

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delayed-delivery basis. Certain details associated with this purchase are not known prior to the settlement date of the transaction. In addition, Senior Loans typically trade without accrued interest and therefore a weighted average coupon rate is not available prior to settlement. At settlement, if still unknown, the borrower or counterparty will provide the Fund with the final weighted average coupon rate and maturity date.

See accompanying notes to financial statements.

Statement of  
ASSETS AND LIABILITIES March 31, 2006 (Unaudited)

-----	
ASSETS	
Investments, at value (cost \$411,177,301)	\$ 479,889,062
Receivables:	
Dividends	1,377,361
Interest	2,522,520
Investments sold	1,854,867
Reclaims	10,480
Other assets	27,855
-----	
Total assets	485,682,145
-----	
LIABILITIES	
Payable for investments purchased	5,678,874
Accrued expenses:	
Management fees	230,311
Other	96,088
FundPreferred share dividends payable	36,325
-----	
Total liabilities	6,041,598
-----	
FundPreferred shares, at liquidation value	120,000,000
-----	
Net assets applicable to Common shares	\$ 359,640,547
=====	
Common shares outstanding	20,145,123
=====	
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 17.85
=====	
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:	
-----	
Common shares, \$.01 par value per share	\$ 201,451
Paid-in surplus	284,729,686
Undistributed (Over-distribution of) net investment income	(2,978,831)
Accumulated net realized gain (loss) from investments	8,976,480
Net unrealized appreciation (depreciation) of investments	68,711,761
-----	
Net assets applicable to Common shares	\$ 359,640,547
=====	
Authorized shares:	
Common	Unlimited
FundPreferred	Unlimited
=====	

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See accompanying notes to financial statements.

## Statement of OPERATIONS Three Months Ended March 31, 2006 (Unaudited)

-----	
INVESTMENT INCOME	
Dividends (net of foreign tax withheld of \$20,598)	\$ 1,765,333
Interest (net of foreign tax withheld of \$6,849)	3,467,624
-----	
Total investment income	\$ 5,232,957
-----	
EXPENSES	
Management fees	1,035,443
FundPreferred shares - auction fees	73,973
FundPreferred shares - dividend disbursing agent fees	3,329
Shareholders' servicing agent fees and expenses	402
Custodian's fees and expenses	29,561
Trustees' fees and expenses	3,019
Professional fees	10,590
Shareholders' reports - printing and mailing expenses	18,592
Stock exchange listing fees	2,583
Investor relations expense	16,939
Other expenses	6,312
-----	
Total expenses before custodian fee credit and expense reimbursement	1,200,743
Custodian fee credit	(665)
Expense reimbursement	(372,753)
-----	
Net expenses	827,325
-----	
Net investment income	4,405,632
-----	
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from investments	9,028,668
Change in net unrealized appreciation (depreciation) of investments	13,955,915
-----	
Net realized and unrealized gain (loss)	22,984,583
-----	
DISTRIBUTIONS TO FUNDPREFERRED SHAREHOLDERS	
From net investment income	(1,215,247)
From accumulated net realized gains	--
-----	
Decrease in net assets applicable to Common shares from distributions to FundPreferred shareholders	(1,215,247)
-----	
Net increase (decrease) in net assets applicable to Common shares from operations	\$26,174,968
=====	

See accompanying notes to financial statements.

Statement of

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CHANGES IN NET ASSETS (Unaudited)

-----  
OPERATIONS

Net investment income  
Net realized gain (loss) from investments  
Change in net unrealized appreciation (depreciation) of investments  
Distributions to FundPreferred shareholders:  
    From net investment income  
    From accumulated net realized gains from investments

-----  
Net increase (decrease) in net assets applicable to Common shares  
    from operations

-----  
DISTRIBUTIONS TO COMMON SHAREHOLDERS

From net investment income  
From accumulated net realized gains from investments

-----  
Decrease in net assets applicable to Common shares from  
    distributions to Common shareholders

-----  
CAPITAL SHARE TRANSACTIONS

Common share offering cost adjustments  
FundPreferred shares offering costs adjustments

-----  
Net increase (decrease) in net assets applicable to Common shares from  
    capital share transactions

-----  
Net increase (decrease) in net assets applicable to Common shares  
Net assets applicable to Common shares at the beginning of period

-----  
Net assets applicable to Common shares at the end of period

=====

Undistributed (Over-distribution of) net investment income at the end of period

See accompanying notes to financial statements.

Statement of

CASH FLOWS Three Months Ended March 31, 2006 (Unaudited)

-----  
CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS

Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:

Purchases of investment securities  
Proceeds from sales of investment securities  
Proceeds from (Purchase of) short-term investment securities, net  
Amortization/(Accretion) of premiums and discounts, net  
(Increase) Decrease in receivable for dividends  
(Increase) Decrease in receivable for interest

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(Increase) Decrease in receivable for investments sold  
(Increase) Decrease in receivable for reclaims  
(Increase) Decrease in other assets  
Increase (Decrease) in payable for investments purchased  
Increase (Decrease) in accrued management fees  
Increase (Decrease) in accrued other liabilities  
Increase (Decrease) in FundPreferred share dividends payable  
Net realized (gain) loss from investments  
Net realized (gain) loss from paydowns  
Change in net unrealized (appreciation) depreciation of investments  
Capital gain and return of capital distributions from investments

-----  
Net cash provided by (used in) operating activities  
-----

CASH FLOWS FROM FINANCING ACTIVITIES:

Cash distributions paid to Common shareholders

-----  
Net cash provided by (used in) financing activities  
-----

NET INCREASE (DECREASE) IN CASH

Cash at the beginning of period

-----  
CASH AT THE END OF PERIOD  
=====

See accompanying notes to financial statements.

Notes to

FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Nuveen Diversified Dividend and Income Fund (the "Fund") is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund's Common shares are listed on the New York Stock Exchange and trade under the ticker symbol "JDD." The Fund was organized as a Massachusetts business trust on July 18, 2003.

The Fund seeks to provide high current income and total return by investing primarily in a portfolio of dividend-paying common stocks, securities issued by Real Estate Investment Trusts ("REITs"), debt securities and other non-equity instruments that are issued by, or that are related to, government, government-related and supernational issuers located, or conducting their business, in emerging market countries ("emerging markets sovereign debt and foreign corporate bonds") and senior loans.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements in accordance with U.S. generally accepted accounting principles.

Investment Valuation

Exchange-listed securities are generally valued at the last sales price on the securities exchange on which such securities are primarily traded. Securities traded on a securities exchange for which there are no transactions on a given day or securities not listed on a securities exchange are valued at the mean of the closing bid and asked prices. Securities traded on Nasdaq are valued at the Nasdaq Official Closing Price. The prices of fixed-income securities and senior loans are generally provided by an independent pricing service approved by the

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Fund's Board of Trustees and based on the mean between the bid and asked prices. When price quotes are not readily available, the pricing service or, in the absence of a pricing service for a particular security, the Board of Trustees of the Fund, or its designee, may establish fair market value using a wide variety of market data including yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant by the pricing service or the Board of Trustee's designee. Short-term investments are valued at amortized cost, which approximates market value.

The senior loans in which the Fund invests are not listed on an organized exchange and the secondary market for such investments may be less liquid relative to markets for other fixed income securities. Consequently, the value of senior loans, determined as described above, may differ significantly from the value that would have been determined had there been an active market for that senior loan.

### Investment Transactions

Investment transactions are recorded on a trade date basis. Trade date for senior loans purchased in the "primary market" is considered the date on which the loan allocations are determined. Trade date for senior loans purchased in the "secondary market" is the date on which the transaction is entered into. Realized gains and losses from investment transactions are determined on the specific identification method. Investments purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Fund maintains liquid assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At March 31, 2006, the Fund had outstanding when-issued/delayed delivery commitments of \$4,000,000.

### Investment Income

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also includes paydown gains and losses on senior loans. Fee income, if any, consists primarily of amendment fees. Amendment fees are earned as compensation for evaluating and accepting changes to the original loan agreement and are recognized when received.

### Federal Income Taxes

The Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required.

### Notes to

#### FINANCIAL STATEMENTS (Unaudited) (continued)

### Dividends and Distributions to Common Shareholders

Distributions to Common shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

The Fund makes monthly cash distributions to Common Shareholders of a stated dollar amount based on the Fund's net investment income, net realized capital gains and/or on net unrealized capital gains in the Fund's portfolio (stated in terms of a fixed cents per Common Share dividend rate) ("Managed Distribution

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Policy"). The Fund seeks to maintain a stable distribution level, subject to approval and oversight by the Fund's Board of Trustees. Distributions will be made only after paying any accrued dividends or making any redemption or liquidation payments to FundPreferred shares, if any, and interest and required principal payments on borrowings, if any. Under the Managed Distribution Policy, if, for any monthly distribution, net investment income and net realized capital gain were less than the amount of the distribution, the difference would be distributed from the Fund's assets and would be treated by shareholders as a return of capital for tax purposes. Distributions during the first three months of the fiscal year are classified as having been paid from net investment income; consequently, this will negatively impact the amount of undistributed net investment income shown in the financial statements in this interim report. The final determination of the source of all distributions for the year are made after the end of the year and reflected in the financial statements contained in the annual report.

Real estate investment trust ("REIT") distributions received by the Fund are generally comprised of ordinary income, long-term and short-term capital gains, and a return of REIT capital. The actual character of amounts received during the period are not known until after year-end. For the fiscal year ended December 31, 2005, the character of distributions to the Fund from the REITs was 46.22% ordinary income, 37.32% long-term and short-term capital gains, and 16.46% return of REIT capital.

For the three months ended March 31, 2006, the Fund applied the actual percentages for the twelve months ended December 31, 2005, described above, to its receipts from the REITs and treated as income in the Statement of Operations only the amount of ordinary income so calculated. The Fund adjusts that estimated breakdown of income type (and consequently its net investment income) as necessary early in the following calendar year when the REITs inform their shareholders of the actual breakdown of income type. For the fiscal year ended December 31, 2005, the Fund applied the actual character of distributions reported by the REITs in which the Fund invests to its receipts from the REITs. If a REIT held in the portfolio of investments did not report the actual character of its distributions during the period, the Fund treated the distributions as ordinary income.

During the three months ended March 31, 2006, the Fund treated each distribution to its shareholders from the portfolio REITs as being entirely from net investment income. The Fund will recharacterize those distributions as being from ordinary income, long-term and short-term capital gains, and return of capital, if necessary, at the beginning of the subsequent year, based upon the income type breakdown information conveyed at the time by the REITs whose securities are held in the Fund's portfolio. Consequently, the financial statements at March 31, 2006, reflect an over-distribution of net investment income that is at least partly attributable to the fact that some of the amounts received by the Fund from the portfolio REITs, but none of the dividends paid by the Fund to shareholders, were treated as something other than ordinary income. For the fiscal year ended December 31, 2005, the Fund applied the actual character of distributions reported by the REITs in which the Fund invests to the distributions paid to the Fund shareholders.

### FundPreferred Shares

The Fund has issued and outstandings 2,400 Series T and 2,400 Series W, FundPreferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. The dividend rate paid by the Fund on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period.

### Derivative Financial Instruments

The Fund is authorized to invest in derivatives or other transactions for the purpose of hedging the portfolio's exposure to common stock risk, high yield



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credit risk, foreign currency exchange risk and the risk of increases in interest rates. Although the Fund is authorized to invest in such financial instruments, and may do so in the future, it did not engage in any such investments during the three months ended March 31, 2006.

### Repurchase Agreements

In connection with transactions in repurchase agreements, it is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

### Custodian Fee Credit

The Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on the Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

### Indemnifications

Under the Fund's organizational documents, its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

## 2. FUND SHARES

The Fund did not engage in transactions in its own shares during the three months ended March 31, 2006, nor during the fiscal year ended December 31, 2005.

## 3. INVESTMENT TRANSACTIONS

Purchases and sales (excluding short-term investments) during the three months ended March 31, 2006, aggregated \$45,271,098 and \$52,062,577, respectively.

4. INCOME TAX INFORMATION The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, recognition of premium amortization, recognition of income on REIT investments and timing differences in recognizing certain gains and losses on investment transactions.

At March 31, 2006, the cost of investments was \$412,473,071.

Gross unrealized appreciation and gross unrealized depreciation of investments at March 31, 2006, were as follows:

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Gross unrealized:	
Appreciation	\$72,117,471

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Depreciation	(4,701,480)
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Net unrealized appreciation (depreciation) of investments	\$67,415,991
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The tax components of undistributed net ordinary income and net realized gains at December 31, 2005, the Fund's last tax year end, were as follows:

Undistributed net ordinary income *	\$ 1,742,465
Undistributed net long-term capital gains	--

\*Net ordinary income consists of net taxable income derived from dividends, interest, and net short-term capital gains, if any.

The tax character of distributions paid during the Fund's last tax year end December 31, 2005, was designated for purposes of the dividends paid deduction as follows:

Distributions from net ordinary income *	\$ 20,166,376
Distributions from net long-term capital gains	16,120,736

\*Net ordinary income consists of net taxable income derived from dividends, interest, and net short-term capital gains, if any.

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

### 5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Fund's management fee is separated into two components - a complex-level component, based on the aggregate amount of all funds assets managed by Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc., and a specific fund-level component, based only on the amount of assets within the Fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual fund-level fee, payable monthly, is based upon the average daily Managed Assets of the Fund as follows:

AVERAGE DAILY MANAGED ASSETS	FUND-LEVEL FEE RATE
For the first \$500 million	.7000%
For the next \$500 million	.6750
For the next \$500 million	.6500
For the next \$500 million	.6250
For Managed Assets over \$2 billion	.6000

The annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as stated in the table below. As of March 31, 2006, the complex-level fee rate was .1887%.

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COMPLEX-LEVEL ASSETS (1)	COMPLEX-LEVEL FEE RATE
For the first \$55 billion	.2000%
For the next \$1 billion	.1800
For the next \$1 billion	.1600
For the next \$3 billion	.1425
For the next \$3 billion	.1325
For the next \$3 billion	.1250
For the next \$5 billion	.1200
For the next \$5 billion	.1175
For the next \$15 billion	.1150
For Managed Assets over \$91 billion (2)	.1400

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.
- (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser has entered into Sub-Advisory Agreements with NWQ Investment Management Company, LLC ("NWQ"), Security Capital Research & Management Incorporated ("Security Capital"), Symphony Asset Management, LLC ("Symphony") and Wellington Management Company, LLP ("Wellington"). Nuveen owns a controlling interest in NWQ while key management of NWQ owns a non-controlling minority interest. Symphony is an indirect wholly owned subsidiary of Nuveen. NWQ manages the portion of the Fund's investment portfolio allocated to dividend-paying common stocks including American Depositary Receipts ("ADRs"). Security Capital manages the portion of the Fund's investment portfolio allocated to securities issued by real estate companies including REITs. Symphony manages the portion of the Fund's investment portfolio allocated to senior loans. Wellington manages the portion of the Fund's investment portfolio allocated to emerging markets sovereign debt and foreign corporate bonds. NWQ, Security Capital, Symphony and Wellington are compensated for their services to the Fund from the management fee paid to the Adviser.

The Fund pays no compensation directly to those of its Trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Fund from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent Trustees that enables Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds.

For the first eight years of the Fund's operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

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YEAR ENDING SEPTEMBER 30,		YEAR ENDING SEPTEMBER 30,	
2003*	.32%	2008	.32%
2004	.32	2009	.24
2005	.32	2010	.16
2006	.32	2011	.08
2007	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse the Fund for any portion of its fees and expenses beyond September 30, 2011.

6. COMMITMENTS

Pursuant to the terms of certain of the variable rate senior loan agreements, the Fund may have unfunded senior loan commitments. The Fund will maintain with its custodian, cash, liquid securities and/or liquid senior loans having an aggregate value at least equal to the amount of unfunded senior loan commitments. At March 31, 2006, the Fund had unfunded senior loan commitments of \$130,222.

7. SENIOR LOAN PARTICIPATION COMMITMENTS

With respect to the senior loans held in the Fund's portfolio, the Fund may: 1) invest in assignments; 2) act as a participant in primary lending syndicates; or 3) invest in participations. If the Fund purchases a participation of a senior loan interest, the Fund would typically enter into a contractual agreement with the lender or other third party selling the participation, rather than directly with the Borrower. As such, the Fund not only assumes the credit risk of the Borrower, but also that of the Selling Participant or other persons interpositioned between the Fund and the Borrower. At March 31, 2006, there were no such outstanding participation commitments.

8. SUBSEQUENT EVENT -- DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Fund declared a distribution of \$.1100 per Common share which was paid on May 1, 2006, to shareholders of record on April 15, 2006.

Financial  
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total	h
	Beginning Common Share Net Asset Value	Net Investment Income (a)	Net Realized/ Unrealized Investment Gain	Distributions from Net Investment Income to FundPreferred Share- holders+	Distributions from Capital Gains to FundPreferred Share- holders+			
Period Ended 12/31:								
2006 (c)	\$16.88	\$.22	\$1.14	\$ (.06)	\$ --	\$1.30		
2005	16.85	.83	1.00	(.09)	(.10)	1.64		
2004	15.13	.81	2.23	(.06)	(.03)	2.95		
2003 (b)	14.33	.18	1.01	(.01)	--	1.18		

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	Offering Costs and FundPreferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Total Returns	
				Based on Market Value**	Based on Common Share Net Asset Value**
Period Ended 12/31:					
2006 (c)	\$ --	\$17.85	\$16.93	5.58%	7.73%
2005	--	16.88	16.35	16.36	10.21
2004	--	16.85	15.57	8.04	20.44
2003 (b)	(.17)	15.13	15.65	5.76	7.04

	Ratios/Supplemental Data			
	Ending Net Assets Applicable to Common Shares (000)	Before Credit/Reimbursement		After Credit/Reimbursement
		Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	Ratio of Expenses to Average Net Assets Applicable to Common Shares++
Period Ended 12/31:				
2006 (c)	\$359,641	1.38%*	4.63*	.95%*
2005	340,113	1.42	4.53	.99
2004	339,446	1.50	4.74	1.06
2003 (b)	304,387	1.26*	4.51*	.87*

	FundPreferred Shares at End of Period		
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
Period Ended 12/31:			
2006 (c)	\$120,000	\$25,000	\$99,925
2005	120,000	25,000	95,857
2004	120,000	25,000	95,718
2003 (b)	120,000	25,000	88,414

\* Annualized.

\*\* Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. Total Return on Common Share Net Asset Value is

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- the combination of changes in Common Share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. Total returns are not annualized.
- \*\*\* After custodian fee credit and expense reimbursement.
  - + The amounts shown are based on Common share equivalents.
  - ++ Ratios do not reflect the effect of dividend payments to FundPreferred shareholders; income ratios reflect income earned on assets attributable to FundPreferred shares.
- (a) Per share Net Investment Income is calculated using the average daily shares method.
  - (b) For the period September 25, 2003 (commencement of operations) through December 31, 2003.
  - (c) For the three months ended March 31, 2006.

See accompanying notes to financial statements.

### ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

### ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing.

### ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

During this reporting period, the registrant's Board of Trustees implemented a change to the procedures by which shareholders may recommend nominees to the registrant's board of trustees by amending the registrant's by-laws to include a provision specifying the date by which shareholder nominations for election as trustee at a subsequent meeting must be submitted to the registrant. Shareholders must deliver or mail notice to the registrant not less than forty-five days nor more than sixty days prior to the first anniversary date of the date on which the registrant first mailed its proxy materials for the prior

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year's annual meeting; provided, however, if and only if the annual meeting is not scheduled to be held within a period that commences thirty days before the first anniversary date of the annual meeting for the preceding year and ends thirty days after such anniversary date (an annual meeting date outside such period being referred to as an "Other Annual Meeting Date" hereafter), the shareholder notice must be given no later than the close of business on the date forty-five days prior to such Other Annual Meeting Date or the tenth business day following the date such Other Annual Meeting Date is first publicly announced or disclosed. The shareholder's notice must be in writing and set forth the name, age, date of birth, business address, residence address and nationality of the person(s) being nominated and the class or series, number of all shares of the registrant owned of record or beneficially by each such person(s), any other information regarding such person required by Item 401 of Regulation S-K or Item 22 of Rule 14a-101 (Schedule 14A) under the Securities Exchange Act of 1934, as amended, any other information regarding the person(s) to be nominated that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for election of trustees, and whether such shareholder believes any nominee is or will be an "interested person" (as that term is defined in the Investment Company Act of 1940, as amended) of the registrant or sufficient information to enable the registrant to make that determination and the written and signed consent of the person(s) to be nominated.

### ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

### ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable to this filing.

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons: Not applicable.

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(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Diversified Dividend and Income Fund

By (Signature and Title)\* /s/ Jessica R. Droeger  
-----  
Jessica R. Droeger  
Vice President and Secretary

Date: June 8, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Gifford R. Zimmerman  
-----  
Gifford R. Zimmerman  
Chief Administrative Officer  
(principal executive officer)

Date: June 8, 2006

By (Signature and Title)\* /s/ Stephen D. Foy  
-----  
Stephen D. Foy  
Vice President and Controller  
(principal financial officer)

Date: June 8, 2006

\* Print the name and title of each signing officer under his or her signature.