

NUVEEN DIVERSIFIED DIVIDEND & INCOME FUND
Form N-CSRS
December 08, 2005

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

Nuveen Diversified Dividend and Income Fund

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: December 31

Date of reporting period: September 30, 2005

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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

QUARTERLY REPORT September 30, 2005

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

Dear Shareholder

I am very pleased to report that for the nine-month period ended September 30, 2005, your Fund continued to provide you with attractive monthly distributions and diversified exposure to a variety of important market sectors and asset classes.

Portfolio diversification is a recognized way 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. Your Fund, with its holdings of dividend-paying common stocks, REIT stocks, emerging markets sovereign debt and senior corporate loans, is specifically designed to help you achieve greater portfolio diversification. Your financial advisor can explain the potential advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Fund to those seeking to accumulate and preserve wealth. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you secure your long-term financial goals. We thank you for choosing us as a partner as you work toward that objective.

Sincerely,

Timothy R. Schwertfeger
Chairman of the Board

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November 15, 2005

Nuveen Diversified Dividend and Income Fund
(JDD)

Portfolio Managers'
COMMENTS

The Nuveen Diversified Dividend and Income Fund features portfolio management by teams at four subadvisers:

NWQ Investment Management Company, LLC (NWQ), 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 23 years of investment management experience.

Security Capital Research & Management Incorporated (Security Capital), a wholly-owned subsidiary of J. P. Morgan Chase & Co., invests its portion of the Fund's assets primarily in REIT common stocks. Tony Manno and Ken Statz, who each have more than 22 years' experience in managing real estate investments, lead the team.

Wellington Management Company, LLP (Wellington) invests its portion of the Fund's assets in emerging markets sovereign debt. James W. Valone, who has more than 10 years of investment management experience, heads the team.

Symphony Asset Management, LLC (Symphony), 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 and Symphony talk about their management strategies and the performance of the Fund for the nine-month period ended September 30, 2005

WHAT WAS YOUR OVERALL MANAGEMENT STRATEGY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2005?

For the equity portion of the Fund's portfolio, we continued to employ an opportunistic, bottom-up strategy that focused on identifying attractively valued companies that we thought possessed favorable risk/reward characteristics and emerging catalysts that could unlock value or improve profitability. These catalysts included management changes, restructuring efforts, recognition of hidden assets, or a positive change in the underlying fundamentals. We also continued to focus on downside protection, and paid 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 offered a more objective and truer picture of a company's financial position than an evaluation based on earnings alone.

During the course of this nine-month reporting period, we took new common stock positions in American Home Mortgage Investment Corp., Dominion Resources Inc., Dow Jones & Co., POSCO, Merck & Co Inc., Wachovia Corp., and Energias de

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Portugal SA. Our analysis led us to conclude that these companies possessed solid fundamentals, compelling valuations, and an attractive risk/reward relationship. We eliminated Tate & Lyle PLC, Weyerhaeuser Co., and DSM NV from the portfolio based on valuation concerns. We also sold Delphi Corp. in early-April (prior to its bankruptcy) because of deteriorating fundamentals and management credibility. May Company and Unocal Corp. were acquired during the period. We maintained a large position in energy stocks during the period based on our analysis of global supply conditions for crude oil and its impact on industry fundamentals, the outlook on company cash flow growth, and valuations. The Fund's energy holdings include Chevron Corp. Conocophillips, ENI Spa, Kerr-McGee Corp., and Total S.A.

For the portion of the Fund's portfolio that was invested in real estate securities, 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.

In general, over this period, 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.

For the portion of the portfolio invested in emerging markets sovereign debt, we sought opportunities in the market by identifying countries and securities with a combination of modest market sensitivity, stable to improving fundamental prospects, and reasonable valuations. In this camp, we place Indonesia and the Philippines. In Latin America, our exposure to high yielding countries and oil exporters such as Brazil and Colombia contributed to performance. Relative to our benchmark, we maintained an overweight to Brazil, whose economy and markets have remained strong this year in the face of large scale political scandals. Colombia's exports benefited from high commodity prices, in particular, oil, coal and coffee. We decreased exposure to countries that, in our opinion, had unfavorable long-term prospects or were highly susceptible to adverse market conditions, such as Peru.

For the senior loan portion of the portfolio, we continued to focus on executing a conservative portfolio management strategy that emphasized carefully selecting both industry sectors and individual companies. We analyzed opportunities to upgrade the portfolio by selling loans in sectors that we believed could have problems over the coming months and rotating into what we believed were safer, less cyclical sectors that would provide stronger asset protection. This strategy led us to sell a large portion of our automotive exposure before the sector experienced significant volatility in May due to fears surrounding General Motors and Ford. The loan market showed signs of strength during the third quarter, although skyrocketing energy prices and rising interest rates caused uneasiness in the financial markets. Energy prices continued their upward climb, causing speculation that corporate earnings growth could come under pressure in the coming quarters.

Given the robust volume of new offerings, we were able to rotate into senior loans that we felt provided more asset protection and less likelihood of earnings volatility. When evaluating loans, we continued to look at the fundamentals of the issuer. At the same time, we also closely monitored the relative value of the loans we held or were considering as compared with other

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closely related loans or securities in the high yield bond market.

HOW DID THE FUND PERFORM?

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

Total returns on net asset value*
For periods ended September 30, 2005

	9 - MONTH	1-YEAR
JDD	8.01%	17.94%
Comparative Benchmark(1)	7.72%	16.98%

*Nine-month returns are cumulative; one-year return is annualized.

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.

For the nine months ended September 30, 2005, the Fund outperformed an unleveraged, unmanaged comparative benchmark. Each of the four asset classes in which the Fund invests provided positive overall performance during this period.

Looking at the common stock portion of the Fund's portfolio, overall market conditions were difficult in the first six-months of 2005, but began to improve in the third quarter of the year. In particular, the portfolio generated solid third quarter gains based on the strength of its energy stocks, stepped-up corporate restructuring activities, and news that portfolio holding Albertson's Inc. has put itself up for sale. None of the Fund's equity investments suffered material losses as a consequence of Hurricanes Katrina and Rita that devastated the Gulf Coast region in August and September.

Also contributing to performance were tobacco holdings Altria Group Inc. (parent of Philip Morris) and Carolina Group. The stocks rallied after the Illinois Supreme Court reversed a \$1.05 billion class-action judgment against State Farm Insurance related to consumer fraud. The decision had positive implications for the tobacco industry as a similar class-action judgment for \$10.1 billion against Altria Group is now expected to be reversed.

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

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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.

Fund holdings POSCO and Rio Tinto PLC also outperformed during the reporting period as global economic growth, especially in China, has led to an increase in the demand for most industrial commodities, including steel and iron ore. Both companies have a meaningful exposure to that country. Meanwhile, new management and structural changes continued to yield improvements in top-line growth and operating margins at insurance broker, Aon Corp. The company is also poised to benefit as one of its competitors struggles to repair its reputation following a recent settlement with the government related to bid rigging and overcharging its customers.

The Fund did see a fall off in the performance of several of its financial services holdings during the reporting period, particularly in the third quarter as a persistently flat yield curve put pressure on net interest margins and the outlook for company fundamentals. Shares of Fannie Mae were also pressured as the company has been actively reducing its retained portfolio in order to meet new surplus capital requirements mandated by its government regulator. Pharmaceutical manufacturer Merck & Co. declined as well following a wrongful death verdict against the company related to its anti-inflammatory drug, Vioxx.

For the nine months ended September 30, 2005, the real estate portion of the portfolio modestly underperformed an all common stock industry benchmark. However, the common stocks within this sector of the Fund's holdings performed well, especially in the second and third quarters, due to the increased representation of more cyclically sensitive real estate common stocks such as those of apartment companies. Holding preferred real estate stocks hurt the Fund's comparative performance during this period because broad real estate indices are composed of only common equity securities. However, the inclusion of preferred stock in the portfolio reflected our belief that many of the higher dividend-paying real estate securities were overvalued.

In the emerging markets sovereign debt portion of the portfolio, the Fund benefited from strong country selection within emerging Europe, Latin America and Asia over the past nine months. Relative to our benchmark, our overweight positions in Brazil and Russia added to performance as did an underweight to Thailand and avoiding China and Hungary during the period. The Fund also benefited from positive security selection in Latin America, namely Panama, Colombia, Ecuador and Brazil. Relative detractors from the Fund's year to date performance included muted performance from some Russian and South African securities and an overweight and negative security selection in Malaysia and Mexico.

In the senior loan sector, the market continued its strong performance during the nine-month period, although at a more subdued pace than in previous quarters. Universal Compression and Vought Aircraft had a positive impact on the Fund's performance (our Universal Compression position was sold prior to the end of this reporting period). Given some weakness in the high-yield market over this reporting period, several holdings detracted from Fund performance. For example, Federal Mogul remained in Chapter 11 bankruptcy proceedings as of September 30, 2005, and the term loan we held had a negative impact on performance during this nine-month period.

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DISTRIBUTION AND SHARE PRICE INFORMATION

In addition to owning preferred stocks, the Fund has issued its own preferred shares, called FundPreferredTM. 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. Over this nine-month reporting period, the Fund implemented one increase in its monthly distribution, bringing the amount to \$0.1075 per share.

As of September 30, 2005, the Fund was trading at a -8.13% discount to its net asset value. This discount was more than the average -8.02% discount the Fund exhibited over the course of the entire reporting period.

Nuveen Diversified Dividend and Income Fund
JDD

Performance

OVERVIEW As of September 30, 2005

PORTFOLIO ALLOCATION

(as a % of total investments)

Real Estate Investment	
Trust Common Stocks and Preferred Stocks	27.7%
Common Stocks	24.4%
Emerging Markets	
Sovereign Debt and Foreign Corporate Bonds	22.9%
Variable Rate Senior Loan Interests	16.7%
U.S. Corporate Bonds	3.3%
U.S. Convertible Bonds	1.0%
Repurchase Agreements	4.0%

Bar Chart:

2004-2005 MONTHLY DISTRIBUTIONS PER SHARE

Oct .1025

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Nov	.1025
Dec	.1025
Jan	.1025
Feb	.1025
Mar	.1025
Apr	.1025
May	.1025
Jun	.1025
Jul	.1025
Aug	.1025
Sep	.1075

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

10/1/2004	14.92
10/4/2004	14.94
10/5/2004	14.94
10/6/2004	14.99
10/7/2004	15.00
10/8/2004	15.06
10/11/2004	15.06
10/12/2004	15.06
10/13/2004	15.04
10/14/2004	15.03
10/15/2004	15.07
10/18/2004	15.00
10/19/2004	14.92
10/20/2004	14.93
10/21/2004	14.90
10/22/2004	14.99
10/25/2004	14.91
10/26/2004	14.72
10/27/2004	14.78
10/28/2004	14.95
10/29/2004	15.07
11/1/2004	15.04
11/2/2004	15.09
11/3/2004	15.12
11/4/2004	15.29
11/5/2004	14.99
11/8/2004	14.90
11/9/2004	14.83
11/10/2004	15.06
11/11/2004	15.06
11/12/2004	15.12
11/15/2004	15.23
11/16/2004	15.45
11/17/2004	15.49
11/18/2004	15.50
11/19/2004	15.57
11/22/2004	15.44
11/23/2004	15.39
11/24/2004	15.28
11/26/2004	15.37
11/29/2004	15.35
11/30/2004	15.30
12/1/2004	15.38
12/2/2004	15.43
12/3/2004	15.47
12/6/2004	15.56

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12/7/2004	15.62
12/8/2004	15.48
12/9/2004	15.50
12/10/2004	15.62
12/13/2004	15.53
12/14/2004	15.37
12/15/2004	15.35
12/16/2004	15.33
12/17/2004	15.20
12/20/2004	15.31
12/21/2004	15.30
12/22/2004	15.29
12/23/2004	15.30
12/27/2004	15.30
12/28/2004	15.28
12/29/2004	15.37
12/30/2004	15.50
12/31/2004	15.57
1/3/2005	15.52
1/4/2005	15.55
1/5/2005	15.27
1/6/2005	15.30
1/7/2005	15.50
1/10/2005	15.42
1/11/2005	15.48
1/12/2005	15.35
1/13/2005	15.39
1/14/2005	15.36
1/18/2005	15.33
1/19/2005	15.25
1/20/2005	15.25
1/21/2005	15.23
1/24/2005	15.20
1/25/2005	15.13
1/26/2005	15.02
1/27/2005	15.10
1/28/2005	15.19
1/31/2005	15.24
2/1/2005	15.23
2/2/2005	15.24
2/3/2005	15.42
2/4/2005	15.72
2/7/2005	15.72
2/8/2005	15.72
2/9/2005	15.76
2/10/2005	15.80
2/11/2005	15.49
2/14/2005	15.39
2/15/2005	15.40
2/16/2005	15.37
2/17/2005	15.48
2/18/2005	15.27
2/22/2005	15.10
2/23/2005	15.28
2/24/2005	15.40
2/25/2005	15.50
2/28/2005	15.52
3/1/2005	15.70
3/2/2005	15.66
3/3/2005	15.67
3/4/2005	15.71
3/7/2005	15.69

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3/8/2005	15.58
3/9/2005	15.50
3/10/2005	15.39
3/11/2005	15.30
3/14/2005	15.05
3/15/2005	14.81
3/16/2005	14.38
3/17/2005	14.42
3/18/2005	14.46
3/21/2005	14.36
3/22/2005	14.31
3/23/2005	13.84
3/24/2005	14.10
3/28/2005	13.93
3/29/2005	14.10
3/30/2005	14.38
3/31/2005	14.33
4/1/2005	14.40
4/4/2005	14.53
4/5/2005	14.41
4/6/2005	14.67
4/7/2005	14.41
4/8/2005	14.33
4/11/2005	14.39
4/12/2005	14.54
4/13/2005	14.20
4/14/2005	14.20
4/15/2005	14.09
4/18/2005	14.22
4/19/2005	14.41
4/20/2005	14.47
4/21/2005	14.56
4/22/2005	14.60
4/25/2005	14.34
4/26/2005	14.48
4/27/2005	14.60
4/28/2005	14.71
4/29/2005	14.88
4/30/2005	14.88
5/2/2005	14.86
5/3/2005	14.84
5/4/2005	14.96
5/5/2005	15.09
5/6/2005	15.15
5/9/2005	15.19
5/10/2005	15.13
5/11/2005	15.02
5/12/2005	14.98
5/13/2005	14.72
5/16/2005	14.78
5/17/2005	14.81
5/18/2005	14.87
5/19/2005	14.97
5/20/2005	15.11
5/23/2005	15.14
5/24/2005	15.10
5/25/2005	15.01
5/26/2005	15.17
5/27/2005	15.14
5/31/2005	15.06
6/1/2005	15.15
6/2/2005	15.22

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6/3/2005	15.31
6/6/2005	15.22
6/7/2005	15.30
6/8/2005	15.20
6/9/2005	15.25
6/10/2005	15.41
6/13/2005	15.14
6/14/2005	15.22
6/15/2005	15.15
6/16/2005	15.35
6/17/2005	15.33
6/20/2005	15.22
6/21/2005	15.23
6/22/2005	15.15
6/23/2005	15.16
6/24/2005	15.21
6/27/2005	15.20
6/28/2005	15.30
6/29/2005	15.29
6/30/2005	15.22
7/1/2005	15.27
7/5/2005	15.33
7/6/2005	15.48
7/7/2005	15.65
7/8/2005	15.53
7/11/2005	15.58
7/12/2005	15.60
7/13/2005	15.44
7/14/2005	15.45
7/15/2005	15.77
7/18/2005	15.72
7/19/2005	15.64
7/20/2005	15.67
7/21/2005	15.56
7/22/2005	15.66
7/25/2005	15.65
7/26/2005	15.94
7/27/2005	15.99
7/28/2005	16.00
7/29/2005	16.00
7/31/2005	16.00
8/1/2005	16.05
8/2/2005	16.14
8/3/2005	16.16
8/4/2005	16.16
8/5/2005	16.20
8/8/2005	15.93
8/9/2005	15.79
8/10/2005	15.90
8/11/2005	15.86
8/12/2005	15.80
8/15/2005	15.71
8/16/2005	15.77
8/17/2005	15.86
8/18/2005	15.88
8/19/2005	16.00
8/22/2005	15.94
8/23/2005	15.99
8/24/2005	15.93
8/25/2005	15.65
8/26/2005	15.53
8/29/2005	15.44

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8/30/2005	15.43
8/31/2005	15.59
9/1/2005	15.84
9/2/2005	15.90
9/6/2005	16.12
9/7/2005	16.23
9/8/2005	16.12
9/9/2005	16.24
9/12/2005	16.39
9/13/2005	16.19
9/14/2005	16.05
9/15/2005	15.95
9/16/2005	15.92
9/19/2005	15.90
9/20/2005	15.94
9/21/2005	15.80
9/22/2005	15.72
9/23/2005	15.76
9/26/2005	15.74
9/27/2005	15.68
9/28/2005	15.77
9/29/2005	15.95
9/30/2005	15.82

FUND SNAPSHOT

Common Share Price	\$15.82
Common Share Net Asset Value	\$17.22
Premium / (Discount) to NAV	-8.13%
Market Yield(1)	8.15%
Net Assets Attributable to Common Shares (\$000)	\$346,806

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

	ON SHARE PRICE	ON NAV
9-Month (Cumulative)	7.93%	8.01%
1-Year	15.76%	17.94%
Since Inception	10.97%	17.84%

INDUSTRIES
(as a % of total investments)

Real Estate	28.6%
Sovereign Debt	22.9%
Media	4.5%

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Hotels, Restaurants & Leisure	3.7%
Diversified Telecommunication Services	3.4%
Metals & Mining	3.3%
Oil, Gas, & Consumable Fuels	3.0%
Aerospace & Defense	2.7%
Tobacco	2.3%
Household Durables	2.1%
Containers & Packaging	1.7%
Diversified Financial Services	1.6%
Thrifts & Mortgage Finance	1.6%
Insurance	1.5%
Commercial Services & Supplies	1.5%
Repurchase Agreements	4.0%
Other	11.6%

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

Office Property	10.4%
Apartments	6.8%
Shopping Center	2.9%
Healthcare	2.0%
Storage	1.8%

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

Mexico	1.9%
Malaysia	1.6%
Argentina	1.5%
Russia	1.4%
South Africa	1.3%

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.

PORTFOLIO OF INVESTMENTS (UNAUDITED)

NUVEEN DIVERSIFIED DIVIDEND AND INCOME FUND (JDD)
September 30, 2005

SHARES	DESCRIPTION(1)
	COMMON STOCKS - 33.2% (24.4% OF TOTAL INVESTMENTS)
	AEROSPACE & DEFENSE - 1.8%
50,000	Lockheed Martin Corporation
85,000	Raytheon Company
	COMMERCIAL BANKS - 1.7%
69,200	Bank of America Corporation
65,000	Wachovia Corporation
	COMMERCIAL SERVICES & SUPPLIES - 1.3%
105,000	Pitney Bowes Inc.
	CONTAINERS & PACKAGING - 0.8%
146,300	Packaging Corp of America
	DIVERSIFIED FINANCIAL SERVICES - 2.1%
100,000	Citigroup Inc.
85,000	JPMorgan Chase & Co
	DIVERSIFIED TELECOMMUNICATION SERVICES - 4.1%
90,000	KT Corporation, Sponsored ADR
175,500	SBC Communications Inc.
135,000	Sprint Corporation
52,500	Telecom Italia S.p.A., Sponsored ADR
90,600	Verizon Communications Inc.
	ELECTRIC UTILITIES - 1.4%
93,000	EDP - Energias de Portugal, S.A., Sponsored ADR
118,000	Korea Electric Power Corporation (KEPCO), Sponsored ADR

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	FOOD & STAPLES RETAILING - 0.8%
66,700	Albertson's, Inc.
60,812	J Sainsbury plc, Sponsored ADR
	HOUSEHOLD DURABLES - 0.7%
112,000	Newell Rubbermaid Inc.
	HOUSEHOLD PRODUCTS - 1.3%
73,000	Kimberly-Clark Corporation
	INSURANCE - 1.8%
120,000	Aon Corporation
30,000	Hartford Financial Services Group, Inc.
	MEDIA - 0.5%
48,900	Dow Jones & Company, Inc.
	METALS & MINING - 2.6%
146,000	Alumina Limited, Sponsored ADR
33,000	POSCO, ADR
26,500	Rio Tinto plc, Sponsored ADR
	MULTI-UTILITIES & UNREGULATED POWER - 1.2%
25,000	Dominion Resources, Inc.
82,800	United Utilities plc, Sponsored ADR
	OIL, GAS & CONSUMABLE FUELS - 4.0%
33,000	ChevronTexaco Corporation
41,800	ConocoPhillips
23,000	Eni S.p.A., Sponsored ADR
14,605	Kerr-McGee Corporation
30,000	Total SA, Sponsored ADR
	PAPER & FOREST PRODUCTS - 0.9%
105,500	International Paper Company
	PHARMACEUTICALS - 0.9%
110,000	Merck & Co. Inc.
	THRIFTS & MORTGAGE FINANCE - 2.1%
81,600	Fannie Mae
94,100	IndyMac Bancorp, Inc.
	TOBACCO - 3.2%
88,200	Altria Group, Inc.
113,000	Loews Corp - Carolina Group

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Total Common Stocks (cost \$94,279,359)	
REAL ESTATE INVESTMENT TRUST COMMON STOCKS - 36.6% (26.9% OF TOTAL INVESTMENTS)	
APARTMENTS - 8.1%	
242,800	AMLI Residential Properties Trust
114,900	Archstone-Smith Trust
57,500	AvalonBay Communities, Inc.
86,200	Camden Property Trust
164,400	Post Properties, Inc.
HEALTHCARE - 2.7%	
166,000	Nationwide Health Properties, Inc.
293,800	Senior Housing Properties Trust
HOTELS - 2.2%	
350,000	DiamondRock Hospitality Company
338,736	Hersha Hospitality Trust
INDUSTRIAL - 0.6%	
50,000	First Industrial Realty Trust, Inc.
MORTGAGE - 0.8%	
45,000	American Home Mortgage Investment Corp
220,000	MFA Mortgage Investments, Inc.
OFFICE PROPERTY - 14.2%	
180,300	Arden Realty, Inc.
200,300	Brandywine Realty Trust
219,100	Equity Office Properties Trust
192,000	Glenborough Realty Trust Inc.
130,000	Highwoods Properties, Inc.
435,600	HRPT Properties Trust
158,900	Mack-Cali Realty Corporation
146,800	Maguire Properties, Inc.
115,400	Reckson Associates Realty Corporation
REGIONAL MALLS - 1.6%	
32,400	Simon Property Group, Inc.
49,900	The Macerich Company
SHOPPING CENTER - 4.0%	
252,900	Cedar Shopping Centers Inc.
73,500	Federal Realty Investment Trust
221,000	Kite Realty Group Trust
107,100	New Plan Excel Realty Trust
STORAGE - 2.4%	

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90,700 Shurgard Storage Centers, Inc.
 165,800 U-Store-It Trust

Total Real Estate Investment Trust Common Stocks (cost \$99,610,202)

SHARES	DESCRIPTION(1)	COUPON
	REAL ESTATE INVESTMENT TRUST PREFERRED STOCKS - 1.1% (0.8% OF TOTAL INVESTMENTS)	
	APARTMENTS - 1.1%	
150,000	Apartment Investment & Management Company, Series U	7.750%

Total Real Estate Investment Trust Preferred Stocks (cost \$3,707,925)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)	WEIGHTED AVERAGE COUPON	STATED MATURITY*	-- MO
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VARIABLE RATE SENIOR LOAN INTERESTS(2) - 22.8% (16.7% OF TOTAL INVESTMENTS)

	AEROSPACE & DEFENSE - 1.9%			
\$ 2,467	Hexcel, Term Loan B	5.313%	3/01/12	
1,900	K & F Industries, Inc., Term Loan B	6.284%	11/18/12	
1,625	Vought Aircraft Industries, Inc., Term Loan	6.350%	12/22/11	
364	Vought Aircraft Industries, Inc., Tranche B, Letter of Credit	5.840%	12/22/10	

	AUTO COMPONENTS - 1.2%			
2,500	Federal-Mogul Corporation, Term Loan A (a)	6.090%	2/24/04	
1,217	Tenneco Automotive Inc., Term Loan B	6.080%	12/12/10	
534	Tenneco Automotive Inc., Term Loan B-1	5.943%	12/12/10	

	BUILDING PRODUCTS - 1.2%			
1,980	Nortek, Inc., Term Loan B	5.915%	8/27/11	
994	Stile Acquisition Corporation, Canadian Term Loan	5.912%	3/21/13	
996	Stile Acquisition Corporation, Term Loan B	5.666%	5/13/11	

	CHEMICALS - 1.1%			
1,939	GenTek, Inc., Term Loan B	6.605%	12/31/10	
1,990	Rockwood Specialties Group, Inc., Tranche D	5.930%	7/30/12	

	COMMERCIAL SERVICES & SUPPLIES - 0.7%			
676	Allied Waste North America, Inc., Letter of Credit	3.100%	3/21/12	
1,770	Allied Waste North America, Inc., Term Loan B	5.851%	3/12/21	

	CONTAINERS & PACKAGING - 1.5%			
2,978	Graham Packaging Company, L.P., Term Loan B	6.151%	10/07/11	
175	Smurfit-Stone Container Corporation,			

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	Deposit-Funded Commitment	2.100%	11/01/11
1,389	Smurfit-Stone Container Corporation, Term Loan B	5.697%	11/01/11
427	Smurfit-Stone Container Corporation, Term Loan C	5.834%	11/01/11

	DIVERSIFIED TELECOMMUNICATION SERVICES - 0.6%		
1,985	Intelsat, Ltd., Term Loan B	5.813%	7/06/11

	ELECTRICAL EQUIPMENT - 0.5%		
1,630	Sensus Metering Systems Inc., Term Loan B-1	5.954%	12/17/10
254	Sensus Metering Systems Inc., Term Loan B-2	5.969%	12/17/10

	FOOD PRODUCTS - 0.8%		
2,738	Michael Foods, Inc., Term Loan B	5.170%	11/20/10

	HEALTHCARE EQUIPMENT & SUPPLIES - 0.3%		
927	Kinetic Concepts, Inc., Term Loan B-2	5.780%	8/11/10

	HEALTHCARE PROVIDERS & SERVICES - 1.8%		
1,960	Beverly Enterprises, Inc., Term Loan B	6.477%	10/22/08
2,000	Davita, Inc., Term Loan B (b)	TBD	TBD
2,175	LifePoint Hospitals, Inc., Term Loan B	5.435%	9/30/11

	HOTELS, RESTAURANTS & LEISURE - 2.6%		
2,000	24 Hour Fitness Worldwide, Inc., Term Loan B	6.780%	6/06/05
2,000	Burger King Corporation, Term Loan B	5.500%	7/17/12
2,000	Penn National Gaming, Inc., Term Loan B (b)	TBD	TBD
513	Venetian Casino Resort, LLC, Delayed Draw, Term Loan	5.770%	6/15/11
2,487	Venetian Casino Resort, LLC, Term Loan	5.770%	6/15/11

	INSURANCE - 0.3%		
1,100	Conseco, Inc., Term Loan	5.768%	6/22/10

	IT SERVICES - 1.1%		
1,765	Fidelity National Information Services, Term Loan B	5.478%	3/09/13
2,000	SunGard Data Systems, Inc., Term Loan B	6.280%	1/25/13

	MEDIA - 5.5%		
1,973	Charter Communications Operating, LLC, Term Loan B	6.930%	4/07/11
1,499	Dex Media West, LLC, Term Loan B	5.512%	3/09/10
1,985	Emmis Operating Company, Term Loan	5.518%	11/10/11
1,970	Loews Cineplex Entertainment Corporation, Term Loan B	5.880%	6/30/11
2,000	Metro-Goldwyn-Mayer Studios, Inc., Term Loan B	6.270%	4/12/12
1,735	R.H. Donnelley Inc., Tranche D	5.618%	6/30/11
1,990	Rainbow Media Holdings LLC, Term Loan	6.438%	3/31/12
1,910	Regal Cinemas Corporation, Term Loan	6.020%	11/10/10
2,000	UPC, Term Loan H2	6.004%	9/30/12
1,968	WGM Acquisition Corp., Term Loan	5.700%	2/27/11

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1,804	METALS & MINING - 0.5%			
	Amsted Industries Incorporated, Term Loan B	6.198%	10/15/10	
1,987	REAL ESTATE - 1.2%			
	General Growth Properties, Inc., Term Loan B	5.850%	11/12/08	
1,960	LNR Property Corporation, Term Loan	6.711%	2/03/08	
Total Variable Rate Senior Loan Interests (cost \$78,181,898)				
PRINCIPAL				
AMOUNT (000)	DESCRIPTION(1)	COUPON	MATURITY	MO
EMERGING MARKETS SOVEREIGN DEBT AND FOREIGN CORPORATE BONDS - 31.2%				
(22.9% OF TOTAL INVESTMENTS)				
ARGENTINA - 2.1%				
\$ 5,750	Argentina Republic	1.330%	12/31/38	
1,652	Argentina Republic	8.280%	12/31/33	
1,623	Argentina Republic	3.010%	8/03/12	
885	Argentine Beverages Financial Trust, 144A	7.375%	3/22/12	
570	Banco de Galicia y Buenos Aires, South America, Reg S	7.190%	1/01/10	
345	Transportadora de Gas del Sur S.A., Series B-A, Reg S	7.000%	12/15/13	
BRAZIL - 1.2%				
1,620	Brazil Republic	11.000%	8/17/40	
250	Brazil Republic	12.000%	4/15/10	
1,000	Brazil Republic	7.875%	3/07/15	
800	Brazil Republic	4.250%	4/15/24	
BULGARIA - 0.4%				
1,100	Bulgaria Republic, Reg S	8.250%	1/15/15	
CHILE - 0.8%				
550	Chile Republic	6.875%	4/28/09	
600	Coldelco Inc., Reg S	6.375%	11/30/12	
430	Corporacion Nacional del Cobre, 144A	5.500%	10/15/13	
1,100	Corporacion Nacional del Cobre, 144A	4.750%	10/15/14	
CHINA - 0.2%				
610	China Development Bank (b)	5.000%	10/15/15	
COLOMBIA - 1.0%				
350	Colombia Republic	11.750%	2/25/20	
700	Colombia Republic	10.000%	1/23/12	
610	Colombia Republic	10.375%	1/28/33	
1,350	Colombia Republic	8.125%	5/21/24	

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1,489	DOMINICAN REPUBLIC - 0.5% Dominican Republic	4.520%	1/23/18
3,925	ECUADOR - 1.2% Ecuador Republic, Reg S	9.000%	8/15/30
400	Ecuador Republic, 144A	9.000%	8/15/30
850	EL SALVADOR - 0.9% El Salvador Republic, 144A	7.650%	6/15/35
750	El Salvador Republic, Reg S	8.500%	7/25/11
1,080	El Salvador Republic, Reg S	7.750%	1/24/23
500	GERMANY - 0.4% Aries Vermögensverwaltung Federation Sovereign Collateralized Debt, Reg S	9.600%	10/25/14
646	Dresdner Bank AG, Ukreximbank LoanParticipation Notes	7.750%	9/23/09
880	GUATEMALA - 0.3% Republic of Guatemala, 144A	8.125%	10/06/34
175	Republic of Guatemala, Reg S	10.250%	11/08/11
890	HONG KONG - 0.3% Hong Kong, 144A	5.125%	8/01/14
2,730	INDONESIA - 0.8% Republic of Indonesia, 144A	7.250%	4/20/15
800	KAZAKHSTAN - 0.3% Development Bank of Kazakhstan	7.375%	11/12/13
300	LUXEMBOURG - 0.9% Tengizchevroil LLP, 144A	6.124%	11/15/14
550	UBS Luxembourg SA	6.230%	2/11/15
1,000	VTB Capital SA, 144A	7.500%	10/12/11
1,100	VTB Capital SA, 144A	6.250%	7/02/35
1,100	MALAYSIA - 2.1% Malaysia Republic	8.750%	6/01/09
2,000	Malaysia Republic	7.500%	7/15/11
2,725	Petronas Capital Limited, Reg S	7.000%	5/22/12
200	Petronas Capital Limited, Reg S	7.875%	5/22/22
550	Sarawak International Inc.	5.500%	8/03/15
550	MEXICO - 2.5% America Movil S.A. de C.V.	5.500%	3/01/14
895	Conproca SA, Reg S	12.000%	6/16/10
240	Controladora Comercial Mexicana, 144A	6.625%	6/01/15
1,100	Empresa Nacional del Petroleo, 144A	4.875%	3/15/14
1,200	Pemex Project Funding Master Trust, 144A	5.750%	12/15/15

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750	Pemex Project Funding Master Trust, RegS	6.625%	6/15/35
1,200	Pemex Project Funding Master Trust	8.500%	2/15/08
275	Petroleos Mexicanos	8.850%	9/15/07
590	Petroleos Mexicanos	9.375%	12/02/08
1,000	United Mexican States, Series A	6.375%	1/16/13
220	United Mexican States	8.125%	12/30/19
200	United Mexican States	8.300%	8/15/31
430	United Mexican States	6.625%	3/03/15

PANAMA - 0.9%			
1,400	Panama Republic	9.375%	4/01/29
650	Panama Republic	9.625%	2/08/11
460	Panama Republic	9.375%	1/16/23

PERU - 1.5%			
1,911	Peru Republic	5.000%	3/07/17
1,169	Peru Republic	5.000%	3/07/17
915	Peru Republic	8.750%	11/21/33
450	Peru Republic	8.375%	5/03/16
610	Peru Republic	7.350%	7/21/25

PHILIPPINES - 1.2%			
750	National Power Corporation, 144A	8.073%	8/23/11
1,500	Philippines Republic	9.375%	1/18/17
1,193	Philippines Republic	8.375%	2/15/11
670	Philippines Republic	8.000%	1/15/16

POLAND - 0.1%			
500	Poland Republic	5.250%	1/15/14

QATAR - 0.6%			
373	Ras Laffan Liquefied Natural Gas Company Limited, 144A	3.437%	9/15/09
780	Ras Laffan Liquefied Natural Gas Company Limited, Reg S	3.437%	9/15/09
550	State of Qatar, Reg S	9.750%	6/15/30

RUSSIA - 1.8%			
830	GazStream SA, 144A	5.625%	7/22/13
1,000	Russia Federation, Reg S	5.000%	3/31/30
2,050	Russia Ministry of Finance	3.000%	5/14/08
600	Russia Ministry of Finance	3.000%	5/14/11
750	Russian Federation, Reg S	11.000%	7/24/18
400	Russian Ministry of Finance, Reg S	12.750%	6/24/28

SAINT LUCIA - 0.1%			
300	First Citizens Saint Lucia Limited, Reg S	5.125%	2/14/11

SERBIA - 0.6%			
2,500	Serbia Republic, 144A	3.750%	11/01/24

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5,450	SOUTH AFRICA - 1.8% South Africa Republic	9.125%	5/19/09
410	SOUTH KOREA - 0.4% Hanarotelecom Inc., 144A	7.000%	2/01/12
895	Korea Development Bank	4.625%	9/16/10
250	THAILAND - 0.1% Bangkok Bank Public Company Limited, Reg S	9.025%	3/15/29
1,233	TRINIDAD - 0.5% Republic of Trinidad and Tobago, Reg S	9.750%	7/01/20
1,700	TUNISIA - 0.6% Banque de Tunisie	7.375%	4/25/12
825	TURKEY - 1.3% Turkey Republic	9.000%	6/30/11
1,875	Turkey Republic	7.375%	2/05/25
1,275	Turkey Republic	7.000%	6/05/20
350	Turkey Republic	11.750%	6/15/10
600	UKRAINE - 0.4% Republic of Ukraine, Reg S	6.875%	3/04/11
644	Ukraine Government, Reg S	11.000%	3/15/07
550	UNITED KINGDOM - 0.2% Vedanta Resources PLC, Reg S	6.625%	2/22/10
970	URUGUAY - 1.1% Uruguay Republic	9.250%	5/17/17
2,150	Uruguay Republic	7.250%	2/15/11
315	Uruguay Republic	7.500%	3/15/15
1,000	VENEZUELA - 1.4% Venezuela Republic	9.375%	1/13/34
550	Venezuela Republic	8.500%	10/08/14
10	Venezuela Republic	9.250%	9/15/27
1,200	Venezuela Republic	7.650%	4/21/25
1,935	Venezuela Republic, Reg S	5.375%	8/07/10
2,593	VIETNAM - 0.7% Socialist Republic of Vietnam	4.813%	3/14/16
Total Emerging Markets Sovereign Debt and Foreign Corporate Bonds (cost \$102,625,4			
U.S. CONVERTIBLE BONDS - 1.4% (1.0% OF TOTAL INVESTMENTS)			
5,000	METALS & MINING - 1.4% Trizec Hahn Corporation	3.000%	1/29/21
Total U.S. Convertible Bonds (cost \$3,639,668)			

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U.S. CORPORATE BONDS - 4.5% (3.3% OF TOTAL INVESTMENTS)			
HOTELS, RESTAURANTS & LEISURE - 2.4%			
2,000	Aztar Corporation	9.000%	8/15/11
2,150	Harrahs Entertainment	7.875%	12/15/05
2,000	MGM Mirage, Inc.	6.750%	8/01/07
2,000	Park Place Entertainment	7.875%	12/15/05
HOUSEHOLD DURABLES - 2.1%			
2,000	D.R. Horton, Inc.	7.500%	12/01/07
2,000	KB Home	8.625%	12/15/08
3,000	Standard Pacific Corporation	6.500%	10/01/08
Total U.S. Corporate Bonds (cost \$15,803,509)			

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
REPURCHASE AGREEMENTS - 5.4% (4.0% TOTAL INVESTMENTS)	
\$ 18,816	State Street Bank, 3.150%, dated 9/30/05, due 10/03/05, repurchase price \$18,821,3 collateralized by \$19,495,000 U.S. Treasury Bills, 3.930%, due 3/02/06, value \$19,3
Total Repurchase Agreements (cost \$18,816,457)	
Total Investments (cost \$416,664,450) - 136.2%	
Other Assets Less Liabilities - (1.6)%	
Preferred Shares, at Liquidation Value - (34.6)%	
Net Assets Applicable to Common Shares - 100%	

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) 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.
- * 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.

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** Ratings below Baa by Moody's Investor Service, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.

(a) At or subsequent to September 30, 2005, this issue was under the protection of Federal Bankruptcy Court.

(b) Purchased on a when-issued or delayed delivery basis.

ADR American Depositary Receipt.

144A 144A securities are those which are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities 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 SEC. 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 basis in the primary market. 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.

N/R Investment is not rated.

See accompanying notes to financial statements.

Statement of
ASSETS AND LIABILITIES September 30, 2005 (Unaudited)

ASSETS	
Investments, at value (cost \$416,664,450)	\$472,235,389
Receivables:	
Dividends	1,008,462
Interest	2,644,719
Investments sold	5,868,286
Reclaims	12,159
Other assets	15,018

Total assets	481,784,033

LIABILITIES	
Payable for investments purchased	14,594,986
Accrued expenses:	
Management fees	218,312
Other	133,454
FundPreferred share dividends payable	31,450

Total liabilities	14,978,202

FundPreferred shares, at liquidation value	120,000,000

Net assets applicable to Common shares	\$346,805,831
=====	
Common shares outstanding	20,145,123
=====	

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Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$	17.22
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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		(9,858,276)
Accumulated net realized gain from investments		16,162,031
Net unrealized appreciation of investments		55,570,939
Net assets applicable to Common shares		\$346,805,831

Authorized shares:

Common	Unlimited
FundPreferred shares	Unlimited

See accompanying notes to financial statements.

Statement of
OPERATIONS Nine Months Ended September 30, 2005 (Unaudited)

INVESTMENT INCOME		
Dividends (net of foreign tax withheld of \$103,252)	\$	5,746,928
Interest (net of foreign tax withheld of \$11,237)		9,231,335
Total investment income		14,978,263
EXPENSES		
Management fees		3,032,711
FundPreferred shares - auction fees		224,384
FundPreferred shares - dividend disbursing agent fees		9,920
Shareholders' servicing agent fees and expenses		1,279
Custodian's fees and expenses		123,043
Trustees' fees and expenses		10,004
Professional fees		32,328
Shareholders' reports - printing and mailing expenses		51,850
Stock exchange listing fees		7,835
Investor relations expense		51,452
Other expenses		18,964
Total expenses before custodian fee credit and expense reimbursement		3,563,770
Custodian fee credit		(303)
Expense reimbursement		(1,087,206)
Net expenses		2,476,261
Net investment income		12,502,002
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain from investments		16,308,670
Change in net unrealized appreciation (depreciation) of investments		(113,405)

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Net realized and unrealized gain	16,195,265

DISTRIBUTIONS TO FUNDPREFERRED SHAREHOLDERS	
From net investment income	(2,645,139)
From accumulated net realized gains from investments	--

Decrease in net assets applicable to Common shares from distributions to FundPreferred shareholders	(2,645,139)

Net increase in net assets applicable to Common shares from operations	\$26,052,128
=====	

See accompanying notes to financial statements.

Statement of
CHANGES IN NET ASSETS (Unaudited)

OPERATIONS

Net investment income	
Net realized gain 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 in net assets applicable to Common shares from operations	

DISTRIBUTIONS TO COMMON SHAREHOLDERS

From net investment income	
From accumulated net realized gains from investments	
Tax return of capital	

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

CAPITAL SHARE TRANSACTIONS

Common shares:	
Net proceeds from sale of shares	
Net proceeds from shares issued to shareholders due to reinvestment of distributions	
FundPreferred shares offering costs	

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

Net increase 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 Nine Months Ended September 30, 2005 (Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS
Adjustments to reconcile the net increase in net assets applicable to Common shares from operations
to net cash provided by operating activities:
Purchases of investment securities
Proceeds from short-term investment securities, net
Proceeds from sales of investment securities
Amortization/(Accretion) of premiums and discounts of investment securities, net
Decrease in receivable for dividends
Decrease in receivable for interest
Increase in receivable for investments sold
Decrease in receivable for reclaims
Increase in other assets
Increase in payable for investments purchased
Decrease in management fees payable
Decrease in other liabilities
Increase in FundPreferred share dividends payable
Net realized (gain) from investments
Change in net unrealized (appreciation)/depreciation of investments
Net realized (gain)/loss from paydowns
Capital gain and return of capital distributions from investments

Net cash provided by operating activities

CASH FLOWS FROM FINANCING ACTIVITIES:
Cash distributions paid to Common shareholders
Net proceeds from sale of Common shares
FundPreferred shares offering costs

Net cash 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)

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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.

Effective January 1, 2005, Nuveen Institutional Advisory Corp. ("NIAC"), the Fund's previous Adviser, and its affiliate, Nuveen Advisory Corp. ("NAC"), were merged into Nuveen Asset Management ("NAM"), each wholly owned subsidiaries of Nuveen Investments, Inc. ("Nuveen"). As a result of the merger, NAM is now the Adviser to all funds previously advised by either NIAC or NAC.

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 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 securities 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

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when-issued and delayed delivery purchase commitments. At September 30, 2005, the Fund had outstanding delayed delivery commitments of \$4,633,046.

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 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.

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 intends to make monthly cash distributions to Common Shareholders of a stated dollar amount based primarily on the Fund's net investment income but also secondarily on 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 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 Fund Preferred 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 nine 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.

REIT distributions received by the Fund are generally comprised of investment 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 the fiscal year-end of the Fund. For the twelve months ended December 31, 2004, the character of distributions to the Fund from the REITs was 51.30% ordinary income, 28.25% long-term and short-term capital gains, and 20.45% return of REIT capital.

For the nine months ended September 30, 2005, the Fund applied the actual percentages for the twelve months ended December 31, 2004, 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)

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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, 2004, 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 nine months ended September 30, 2005, 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 September 30, 2005, 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, 2004, 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.

Fund Preferred Shares

The Fund has issued and outstandings 2,400 Series T and 2,400 Series W, Fund Preferred 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 may use derivatives or other transactions for the purpose of hedging the portfolio's exposure to common stock risk, high yield 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 make any such investment during the nine months ended September 30, 2005.

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

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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 nine months ended September 30, 2005.

During the fiscal year ended December 31, 2004, 26,242 Common shares were issued to shareholders due to reinvestment of distributions.

3. INVESTMENT TRANSACTIONS

Purchases and sales of investments (excluding short-term investments) during the nine months ended September 30, 2005, aggregated \$179,673,515 and \$179,680,423, 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 on debt securities, recognition of income on REIT securities, and timing differences in recognizing certain gains and losses on investment transactions.

At September 30, 2005, the cost of investments was as follows:

Cost of investments	\$418,238,571

Gross unrealized appreciation and gross unrealized depreciation of investments at September 30, 2005, were as follows:

Gross unrealized:	
Appreciation	\$59,976,461
Depreciation	(5,979,643)
Net unrealized appreciation of investments	\$53,996,818

The tax components of undistributed net ordinary income and net realized gains at December 31, 2004, the Fund's last fiscal year end, were as follows:

Undistributed net ordinary income *	\$ --
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 fiscal year ended December 31, 2004, the Fund's last fiscal year end, was designated for purposes of the dividends paid deduction as follows:

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Distributions from net ordinary income *	\$22,551,616
Distributions from net long-term capital gains	3,819,302
Tax return of capital	187,892

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

The Fund designated as a long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Fund related to net capital gain to zero for the tax period ended December 31, 2004.

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 the Adviser, 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, for the Fund 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 September 30, 2005, the complex-level fee rate was .1898%.

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

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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:

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,

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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 September 30, 2005, there were no such unfunded senior loan commitments.

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 September 30, 2005, there were no such outstanding participation commitments.

8. ANNOUNCEMENT REGARDING PARENT COMPANY OF ADVISER

In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. Transactions (C) and (D) above were settled in late July, which effectively reduced St. Paul Travelers' controlling stake in Nuveen and was deemed an "assignment" (as defined in the 1940 Act) of the investment management agreement between the Fund and the Adviser, which resulted in the automatic termination of the agreement under the 1940 Act. In anticipation of such deemed assignment, the Board of Trustees had approved a new ongoing investment management agreement for the Fund and the submission of the agreement for approval by the Fund's shareholders, which shareholder approval was received prior to the settlement of transactions (C) and (D). The new ongoing management agreement took effect upon such settlement.

9. SUBSEQUENT EVENTS -- DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Fund declared a distribution of \$.1075 per Common share which was paid on November 1, 2005, to shareholders of record on October 15, 2005.

Financial
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total	Inve Inc
	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:								
2005 (c)	\$16.85	\$.62	\$.81	\$(.13)	\$ --	\$1.30		

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2004	15.13	.81	2.23	(.06)	(.03)	2.95
2003 (b)	14.33	.18	1.01	(.01)	--	1.18

	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:					
2005 (c)	\$ --	\$17.22	\$15.82	7.93%	8.01%
2004	--	16.85	15.57	8.04	20.44
2003 (b)	(.17)	15.13	15.65	5.76	7.04

	Ratios/Supplemental Data			
	Before Credit/Reimbursement	After Credit/Reimbursement		
Ending Net Assets Applicable to Common Shares (000)	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:				
2005 (c)	\$346,806	1.42%*	4.55%*	.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:			
2005 (c)	\$120,000	\$25,000	\$97,251
2004	120,000	25,000	95,718
2003 (b)	120,000	25,000	88,414

* Annualized.

** Total Investment 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 the combination of changes in Common Share net asset value, reinvested dividend income at net asset value and reinvested capital gains

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- 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 nine months ended September 30, 2005.

See accompanying notes to financial statements.

Other Useful INFORMATION

In April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers") sold the majority of its controlling equity interest in Nuveen Investments, Inc. ("Nuveen") to the general public. Nuveen is the parent of Nuveen Asset Management ("NAM"), which is each Fund's investment manager. This sale was deemed to be an "assignment" of the investment management agreement between each Fund and NAM and, if applicable, of the sub-advisory agreement between NAM and the Fund's sub-adviser. As required by law, the shareholders of each Fund were asked to approve a new investment management agreement and, if applicable, a new subadvisory agreement that reflected this change in ownership. The shareholders of each Fund voted this approval at a Shareholders' Meeting on July 26, 2005. There were no changes to the investment objectives or management of any Fund as a result of these actions.

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

The Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the most recent 12-month period ended June 30, 2005, and (iii) a description of the policies and procedures that the Fund used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section at 450 Fifth Street NW, Washington, D.C. 20549.

GLOSSARY OF TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

MARKET YIELD: 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

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realized capital gains and, if at the end of the calendar year the Funds' cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a tax return of capital.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

BOARD OF TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
William C. Hunter
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Eugene S. Sunshine

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Chicago, IL

The Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period covered by this report. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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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 at this time.

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.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item.

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

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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.

(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: December 8, 2005

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: December 8, 2005

By (Signature and Title)* /s/ Stephen D. Foy

Stephen D. Foy
Vice President and Controller

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(principal financial officer)

Date: December 8, 2005

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