NUVEEN TAX ADVANTAGED TOTAL RETURN STRATEGY FUND
Form N-CSR
March 09, 2007

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 811-21471

Nuveen Tax-Advantaged Total Return Strategy 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: December 31, 2006

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.

ANNUAL REPORT DECEMBER 31, 2006

NUVEEN INVESTMENTS
CLOSED-END
FUNDS

NUVEEN TAX-ADVANTAGED TOTAL RETURN STRATEGY FUND JTA

OPPORTUNITIES FOR CAPITAL
APPRECIATION AND
TAX-ADVANTAGED DISTRIBUTIONS
FROM A PORTFOLIO OF VALUE
EQUITIES AND SENIOR LOANS

NUVEEN LOGO

COVER PHOTO

INSIDE COVER PHOTO

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NUVEEN LOGO

(TIMOTHY R. SCHWERTFEGER PHOTO)
Timothy R. Schwertfeger
Chairman of the Board

CHAIRMAN'S
LETTER TO SHAREHOLDERS

Dear Shareholder,

I am very pleased to report that over the twelve-month period covered by this report, your Fund continued to provide you with attractive tax-advantaged income and capital appreciation potential. 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.

"PORTFOLIO DIVERSIFICATION IS A RECOGNIZED WAY TO TRY TO REDUCE SOME OF THE RISK THAT COMES WITH INVESTING."

As you look through this report, be sure to review the inside front cover. This contains information on how you can receive future Fund reports and other Fund information faster by using e-mails and the Internet. Sign up is quick and easy - just follow the step-by-step instructions.

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 SIG)
Timothy R. Schwertfeger
Chairman of the Board

February 15, 2007

Nuveen Investments Closed-End Funds (JTA)

PORTFOLIO MANAGERS'
COMMENTS

The Fund features management by two affiliates of Nuveen Investments. The Fund's investments in dividend-paying common or preferred stocks are managed by NWQ Investment Management Company, LLC (NWQ), while the Fund's investments in senior corporate loans and other debt instruments are managed by Symphony Asset Management, LLC (Symphony). 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 Symphony team is led by Gunther Stein and Lenny Mason, who have more than 25 years of combined investment management experience, much of it in evaluating and purchasing senior corporate loans and other high-yield debt.

Here Jon, Gunther and Lenny talk about general market conditions, their management strategies and the performance of the Fund for the twelve-month period ended December 31, 2006.

WHAT WERE THE GENERAL ECONOMIC AND MARKET CONDITIONS YOU FACED DURING THIS ANNUAL REPORTING PERIOD ENDED DECEMBER 31, 2006?

Economic conditions throughout 2006 were generally favorable as a pronounced slowdown in the housing market was more than offset by stabilization in interest rates and energy prices, low unemployment and strong consumer confidence. During the first half of last year, the Federal Reserve hiked short-term interest rates four times, but as the second half of the year began, it became clearer that a pause in the interest rate tightening cycle was at hand. Through mid year, despite double-digit earnings gains, returns for the equity markets were relatively modest and bond returns were negative. However, after mid year with the Fed on hold, the U.S. stock market marched steadily to a series of multi-year highs spurred by corporate earnings which continued to come in above expectations. Equity markets shrugged off any concerns regarding housing, a slowdown in global/domestic growth, and an extended consumer. The supply/demand situation for common stocks stayed favorable as strong corporate balance sheets and cash flows funded acquisitions and share buybacks as well as attracted takeovers from private equity firms. Private equity firms initiated large numbers of leveraged buyouts seemingly with no limit to the size of any potential deal. Value stocks outperformed growth, and large and small capitalization stocks outpaced mid caps, for the year.

The leverage loan market was also a beneficiary of these macroeconomic conditions as it experienced a record year. The year was highlighted by record new issuance, record leveraged merger financing and record inflows into the leveraged loan asset class. Near historical low default rates contributed to continued spread tightening. The loan market's ability to efficiently digest record issuance surprised many skeptics. A flurry of

jumbo deals brought to market, including the largest LBO loan ever for HCA, demonstrated significant liquidity and depth in the loan market. The CSFB Leveraged Loan Index returned 2.01% during the fourth quarter and 7.33% for the year. As of the end of December, the Index had registered 50 consecutive months of positive returns.

As default rates remained low and performance remained consistent, investors were drawn to the loan asset class. Total loan volume for 2006 stood at $408 billion, up 62% percent from 2005. Mergers and acquisitions and leveraged buyouts were the key drivers of overall loan-volume growth -- increasingly, large deals are being financed in the leveraged loan market, surpassing previous estimates of the maximum deal size thought possible. In 2006, total LBO lending topped $122 billion, up from $65 billion in 2005.

WHAT WAS YOUR STRATEGY IN MANAGING THE FUND DURING THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2006?

For the equity portion of the Fund's portfolio, we continued to employ an opportunistic, bottom-up strategy that focused on identifying undervalued companies that possessed favorable risk/reward characteristics as well as emerging catalysts that we believed 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 focused 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 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 year, we increased our telecommunications/media exposure and also took new common stock positions in Caterpillar, General Electric, Motorola, Pfizer, and Stora Enso Oyj. Our analysis indicated that these companies possessed solid fundamentals, compelling valuations, and attractive risk/reward relationships.

We eliminated Dominion Resources, J Sainsbury, Merck & Company, and Sprint Nextel from the portfolio based on valuation concerns, and Albertsons Inc. and Kerr McGee Corp. after these companies received takeover offers. The Kerr McGee sell reduced our

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overall energy exposure; however, we continue to have a favorable opinion of the group based on our analysis of global supply conditions for crude oil and natural gas and its impact on industry fundamentals, the outlook on company cash flow growth, and valuations. We also opportunistically increased our financial services stakes with additions to our positions of Aon, Citigroup, Fannie Mae, Hartford Financial Services, and IndyMac Bancorp.

During the year we continued to manage the senior corporate loans and other debt instruments portion of the portfolio using fundamental analysis to select loans that we believed offer strong asset coverage and attractive risk adjusted returns. Given the strength of the economy and the overall loan market we focused on avoiding loans we believed had not been structured properly as well as loans that we believed would have earnings volatility in a weakening economy. Given these views we continued to position the portfolio in a more conservative manner. We also tried to focus the portfolio on larger capitalization companies, as we believed that these companies might perform better than smaller companies over the course of a credit cycle.

During the year we avoided the loans of most automotive part suppliers as well as smaller homebuilders and land developers, even though many loans in both sectors traded at a discount throughout the year. We also avoided many smaller loans that were done to finance leveraged buyouts. We did not believe that there was sufficient incremental spread in many small loans to compensate for potential illiquidity and volatility if earnings should become challenged. Throughout the year we focused on adding high quality new-issue loans at par. Given the elevated trading levels of the marketplace we focused on the new issue market to buy loans.

We also continued to avoid the vast majority of second lien loans. Similar to smaller loans, we did not believe that second lien loans offered sufficient spread to compensate investors for potential volatility and lower recovery rates.

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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 the twelve-months ended December 31, 2006

JTA	24.19%(1)
Comparative Benchmark(2)	20.14%

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.

As indicated in the accompanying table, the Nuveen Tax-Advantaged Total Return Strategy Fund posted positive results for the twelve-months ended December 31, 2006.

The equity portfolio had several positions that performed particularly well for the year, including a strong gain in Korean steel manufacturer, POSCO. The shares rose sharply on improving fundamentals in the steel industry brought on by ongoing consolidation trends. In the defense sector, our investments of Lockheed Martin and Raytheon outperformed due to benign political pressures and a healthy outlook for defense spending given improving international demand. Our equity investments in the energy sector also performed well - particularly in the first half of the year - as high oil prices and increased production volumes drove record earnings and cash flows.

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1 The Fund elected to retain a portion of its realized long-term capital gains for the tax year ended December 31, 2006, and pay required Federal corporate income taxes on these gains. As reported on Form 2439, Common shareholders of record on December 29, 2006, must include their pro-rata share of these gains on their 2006 federal tax returns, and will receive a corresponding credit toward their taxes, or a tax refund, for their pro-rata share of the taxes paid by the Fund. The standardized total returns shown in the table do not include the economic benefit to Common shareholders of record of this tax credit/refund. The Fund's total return on NAV for the twelve months ended December 31, 2006, when this benefit is included is 25.75%.

2 The comparative benchmark designed to reflect the portfolio composition of JTA is calculated by combining: 1) 56% 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) 16% 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) 8% of the return of the Merrill Lynch DRD (dividends received deduction) Preferred Index, which consists of investment-grade, DRD-eligible, exchange-traded preferred stocks with one year or more to maturity, and 4) 20% 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 are not leveraged, and do not include the effects of any sales charges or management fees. It is not possible to invest directly in an index.

Our Utility investments benefited from a surge in demand for global utilities given their attractive yields and ongoing consolidation in the sector. Our tobacco stocks gained on an improving litigation environment and stronger industry fundamentals, including favorable pricing and volumes. Finally, our energy investments outperformed as high oil prices and increased production volumes are driving strong earnings and cash flows.

In the senior loan component of the portfolio, one security that positively impacted the fund's performance during the twelve-month period was the Federal Mogul term loan position, which traded up during the period due to the expectation that the company would emerge out of bankruptcy soon.

The Fund had several positions that constrained performance over this reporting period. In the equity portion, rising cost pressures, lowered aluminum contract pricing, and concerns regarding global economic growth contributed to a decline in our shares of

Alumina Limited, while paper stocks lagged due to margin pressures and weak demand characteristics in the forest product industry. After appreciating strongly at the beginning of the year, our shares of insurance broker Aon gave way and posted a modest decline for the year as the company lowered its earnings guidance from previous lofty expectations. Our recent purchase of Motorola also detracted from performance as the company reported that its revenues are being pressured because of a higher mix of lower priced, low-end handsets and greater price competition as the company expands its presence in emerging markets.

The Dividends-Received Deduction/Qualified Dividend Income, holdings of the fund lagged the index slightly as our overweighting in floating rate securities, as well as our underweighting in GSE-issued paper, caused a drag on relative performance as yields dropped in the second half of the year and Federal Home Loan Corporation and Federal National Mortgage Association preferred spreads tightened.

One additional position that had a negative impact on the portfolio was D.R. Horton, whose bonds traded down during the period due to the decrease in new home orders, investor concern about a severe slowdown in homebuilding activity, and increasing mortgage rates.

DISTRIBUTION AND SHARE PRICE
INFORMATION

In addition to owning preferred stocks, the Fund has issued its own preferred shares, called FundPreferred(TM), and entered into a series of short-term borrowing arrangements. This FundPreferred and borrowing 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 investments as well as from net realized long-term capital gains and/or returns of capital, generally representing net unrealized capital gains. The Fund declared three monthly distribution increases during the twelve-month period; most recently in December to $0.150 per share.

As of December 31, 2006, the Fund was trading at a 4.27% premium to its net asset value. This compared well with the average -5.56% discount the Fund exhibited over the course of the entire twelve-month reporting period.

We are providing you with information regarding your Fund's distributions. This information is as of December 31, 2006, and likely will vary over time based on the Fund's investment activities and portfolio investment value changes.

The Fund has a managed distribution program. The goal of a managed distribution program is to provide shareholders relatively consistent and predictable cash flow by systematically converting its expected long-term return potential into regular monthly distributions. As a result, regular distributions throughout the year will likely include a portion of expected long-term gains (both realized and unrealized), along with net investment income.

Important points to understand about the managed distribution program are:

- The Fund seeks to establish a relatively stable distribution rate that roughly corresponds to the projected total return from its investment strategy over an extended period of time. However, you should not draw any conclusions about the Fund's past or future investment performance from its current distribution rate.

- Actual returns will differ from projected long-term returns (and therefore the Fund's distribution rate), at least over shorter time periods. Over a specific timeframe, the difference between actual returns and total distributions will be reflected in an increasing (returns exceed distributions) or a decreasing (distributions exceed returns) fund net asset value.
- Each month's distributions are expected to be paid from some or all of the following sources:
  - net investment income (regular interest and dividends),
  - realized capital gains, and
  - unrealized gains, or, in certain cases, a return of principal (non-taxable distributions)
- A non-taxable distribution is a payment of a portion of the Fund's capital. When the Fund's returns exceed distributions, it may represent portfolio gains generated, but not realized as a taxable capital gain. In periods when the Fund's returns fall short of distributions, it will represent a portion of your original principal unless the shortfall is offset during other time periods over the life of your investment (previous or subsequent) when the fund's total return exceeds distributions.
- Because distribution source estimates are updated monthly during the year, based on the Fund's performance and forecast for its current fiscal year (which is the calendar year for the Fund), these estimates may differ from both the tax information reported to you in your Fund's 1099 statement provided at year end, as well as the ultimate economic sources of distributions over the life of your investment.

The following table provides information regarding the Fund's distributions and total return performance for the fiscal year ended December 31, 2006. The distribution information is presented on a tax basis rather than on a generally accepted accounting principles (GAAP) basis. This information is intended to help you better understand whether the Fund's returns for the specified time period was sufficient to meet the Fund's distributions.

AS OF 12/31/2006	JTA
Inception date	1/27/04
Calendar Year:	
Per share distribution:	
From net investment income	$0.88
From short-term capital gains	$0.05
From long-term capital gains	$0.65
From return of capital	--
Total per share distribution	$1.58
Distribution rate on NAV	6.08%
One-year total return on NAV	24.19%
Annualized since inception total return on NAV	18.13%

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RETENTION OF REALIZED LONG-TERM
CAPITAL GAINS

NOTICE CONCERNING RETENTION OF REALIZED LONG-TERM CAPITAL GAINS BY CERTAIN NUVEEN CLOSED-END FUNDS

On December 15, 2006, the Nuveen Real Estate Income Fund (AMEX: JRS), Nuveen Diversified Dividend and Income Fund (NYSE: JDD), and Nuveen Tax-Advantaged Total Return Strategy Fund (NYSE: JTA) announced that each Fund would retain a portion of its realized long-term capital gains for the tax year ended December 31, 2006, and to pay required Federal corporate income taxes on these gains.

The Funds' Board of Trustees believes retaining realized long-term capital gains may benefit shareholders by enabling the Funds to better preserve and grow their capital base, providing the opportunity over time for more stable and/or growing distributions and share price, increased portfolio diversification and lower operating expenses, as well as greater flexibility in structuring and managing the Funds' investments.

Common shareholders of record on December 29, 2006 must include their pro-rata share of their Fund's retained gains on their 2006 federal income tax returns. They will be entitled to a corresponding federal income tax credit (or refund) of their pro rata share of taxes their fund paid on its retained gains. Common shareholders also will be entitled to increase their Fund investments' cost basis by the net amount of gains retained by the fund. Each Fund's net asset value on December 27, 2006 was reduced to reflect the accrual of the Fund's estimated tax liability as shown below.

Per share estimates of each Fund's retained long-term capital gains and corresponding Federal corporate income taxes paid are as follows:

PER SHARE	JTA

Long-Term Capital Gain Retained	$ 0.9383
Less Federal Income Taxes Paid by Fund	(0.3284)
NET LONG-TERM CAPITAL GAIN RETAINED	$ 0.6099

Final amounts for retained gains and taxes paid were reported to shareholders of record on IRS Form 2439 in early 2007. These gains will not be reported on Form 1099-DIV, which only reflects realized capital gains actually distributed to shareholders and taxable in 2006. More details about these funds, as well as additional information on retained capital gains and related tax information are available on www.nuveen.com/cef.

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Nuveen Tax-Advantaged Total Return Strategy Fund
JTA

PERFORMANCE
OVERVIEW As of December 31, 2006

(PORTFOLIO ALLOCATION PIE CHART)
(as a % of total investments)

Common Stocks	71.7%
Variable Rate Senior Loan Interests	17.0%
$25 Par (or similar) Securities	7.8%
Short-Term Investments	1.6%
Corporate Bonds	1.2%
Capital Preferred Securities	0.7%

(2006 MONTHLY DISTRIBUTIONS BAR CHART)

Jan	0.125
Feb	0.125
Mar	0.125
Apr	0.125
May	0.125
Jun	0.130
Jul	0.130
Aug	0.130
Sep	0.140
Oct	0.140
Nov	0.140
Dec	0.150

(SHARE PRICE PERFORMANCE CHART)

Past performance is not predictive of future results.

1/01/06	21.3
	20.93
	21.76
	21.48
	22.5
	22.25
	22.03
	22.15
	22.75
	22.74
	21.78
	22.45
	22.99
	22.39
	22.18
	21.95
	21.98
	22
	22.37
	21.74
	21.51
	21.77
	22.45
	22.23
	22.09
	22.2
	22.69
	22.89
	22.88
	22.55
	22.5
	23.39
	23.67
	23.3
	23.5
	23.59
	24.36
	23.72
	24.11
	24.64
	24.42
	24.88
	25
	25.05
	25
	25.09
	25.6
	25.87
	26.54
	26.52
	26.13
	27
	26.4
	27.02
	27.09
12/31/06	27.09

FUND SNAPSHOT

Common Share Price(1)	$27.09
Common Share Net Asset Value(1)	$25.98
Premium/(Discount) to NAV	4.27%
Current Distribution Rate(2)	6.64%
Net Assets Applicable to Common Shares ($000)	$360,740

AVERAGE ANNUAL TOTAL RETURN(3)
(Inception 1/27/04)

	ON SHARE PRICE	ON NAV
1-Year	35.52%	24.19%
Since Inception	18.43%	18.13%

INDUSTRIES
(as a % of total investments)

Diversified Telecommunication Services	8.8%
Insurance	7.1%
Media	6.0%
Oil, Gas & Consumable Fuels	5.9%
Thrifts & Mortgage Finance	5.9%
Tobacco	5.9%
Electric Utilities	5.3%
Commercial Banks	5.1%
Aerospace & Defense	5.1%
Other	44.9%

COUNTRIES
(as a % of total investments)

United States	82.2%
South Korea	4.5%
United Kingdom	3.5%
Italy	2.9%
Portugal	1.8%
Other	5.1%

1 Common Share Net Asset Value (NAV) reflects a downward adjustment, made subsequent to December 31, 2006, for the amount of the tax liability associated with the Fund's retention of a portion of its long-term capital gains and the Fund's payment of Federal corporate income tax thereon, and therefore differs from the NAV published shortly after that date. The Common Share Price is actual as of December 31, 2006, and did not reflect the knowledge of the subsequent adjustment to NAV.

2 Current Distribution Rate 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.

3 The Fund elected to retain a portion of its realized long-term capital gains for the tax year ended December 31, 2006, and pay required Federal corporate income taxes on these gains. As reported on Form 2439, Common shareholders of record on December 29, 2006, must include their pro-rata share of these gains on their 2006 federal tax returns, and will receive a corresponding credit toward their taxes, or a tax refund, for their pro-rata share of the taxes paid by the Fund. The standardized total returns shown above do not include the economic benefit to Common shareholders of record of this tax credit/refund. The Fund's corresponding average annual total returns on share price when this benefit is included are 37.15% and 18.92%, for the one-year and since inception periods, respectively. The Fund's corresponding average annual total returns on NAV when this benefit is included are 25.75% and 18.64%, for the one-year and since inception periods, respectively.

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Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

THE BOARD OF TRUSTEES AND SHAREHOLDERS
NUVEEN TAX-ADVANTAGED TOTAL RETURN STRATEGY FUND

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Nuveen Tax- Advantaged Total Return Strategy Fund (the "Fund") as of December 31, 2006, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2006, by correspondence with the custodian, selling or agent banks and brokers or by other appropriate auditing procedures where replies from selling or agent banks or brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Nuveen Tax-Advantaged Total Return Strategy Fund at December 31, 2006, the results of its operations and cash flows for the year then ended, changes in its net assets for each of the two years in the period then ended, and the financial highlights for the periods indicated therein in conformity with U.S. generally accepted accounting principles.

(ERNST & YOUNG LLP LOGO)

Chicago, Illinois
February 20, 2007

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Nuveen Tax-Advantaged Total Return Strategy Fund (JTA)

Portfolio of
INVESTMENTS December 31, 2006

SHARES	DESCRIPTION (1)
	COMMON STOCKS - 103.3% (71.7% OF TOTAL INVESTMENTS)
	AEROSPACE & DEFENSE - 5.8%

94,000	Lockheed Martin Corporation
235,000	Raytheon Company
	Total Aerospace & Defense
	CAPITAL MARKETS - 2.7%
205,000	JPMorgan Chase & Co.
	COMMERCIAL BANKS - 4.8%
155,500	Wachovia Corporation
240,000	Wells Fargo & Company
	Total Commercial Banks
	COMMERCIAL SERVICES & SUPPLIES - 3.8%
296,600	Pitney Bowes Inc.
	COMMUNICATIONS EQUIPMENT - 2.2%
377,600	Motorola, Inc.
	CONTAINERS & PACKAGING - 1.8%
300,000	Packaging Corp. of America
	DIVERSIFIED FINANCIAL SERVICES - 5.0%
325,400	Citigroup Inc.
	DIVERSIFIED TELECOMMUNICATION SERVICES - 11.0%
385,000	AT&T Inc.
343,000	KT Corporation, Sponsored ADR
235,000	Telecom Italia S.p.A., Sponsored ADR
301,500	Verizon Communications Inc.
	Total Diversified Telecommunication Services
	ELECTRIC UTILITIES - 4.7%
187,100	EDP - Energias de Portugal, S.A., Sponsored ADR
323,000	Korea Electric Power Corporation, Sponsored ADR
	Total Electric Utilities
	HOUSEHOLD DURABLES - 2.5%
307,000	Newell Rubbermaid Inc.
	HOUSEHOLD PRODUCTS - 3.0%
160,000	Kimberly-Clark Corporation
	INDUSTRIAL CONGLOMERATES - 2.1%
200,000	General Electric Company
	INSURANCE - 7.7%
289,400	Aon Corporation
187,200	Hartford Financial Services Group, Inc.
	Total Insurance
	MACHINERY - 1.3%
75,000	Caterpillar Inc.
	MEDIA - 5.1%
200,000	CBS Corporation, Class B
339,000	Clear Channel Communications, Inc.

Total Media

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SHARES	DESCRIPTION (1)
	METALS & MINING - 4.6%
236,900	Alumina Limited, Sponsored ADR
90,000	POSCO, ADR
21,000	Rio Tinto PLC, Sponsored ADR
	Total Metals & Mining
	MULTI-UTILITIES - 1.5%
180,000	United Utilities PLC, Sponsored ADR
	OIL, GAS & CONSUMABLE FUELS - 8.6%
80,000	ChevronTexaco Corporation
113,400	ConocoPhillips
132,500	Eni S.p.A., Sponsored ADR
110,000	Total SA, Sponsored ADR
	Total Oil, Gas & Consumable Fuels
	PAPER & FOREST PRODUCTS - 3.3%
220,000	International Paper Company
270,200	Stora Enso Oyj, Sponsored ADR
	Total Paper & Forest Products
	PHARMACEUTICALS - 1.4%
198,000	Pfizer Inc.
	ROAD & RAIL - 2.3%
90,000	Union Pacific Corporation
	THRIFTS & MORTGAGE FINANCE - 8.4%
260,000	Fannie Mae
330,000	IndyMac Bancorp, Inc.
	Total Thrifts & Mortgage Finance
	TOBACCO - 8.5%
235,000	Altria Group, Inc.
159,900	Loews Corp - Carolina Group
	Total Tobacco
	WIRELESS TELECOMMUNICATION SERVICES - 1.2%
159,500	Vodafone Group PLC
	TOTAL COMMON STOCKS (COST $284,029,578)

SHARES	DESCRIPTION (1)	COUPON

	$25 PAR (OR SIMILAR) PREFERRED SECURITIES - 11.2% (7.8% OF TOTAL INVESTMENTS)	
	CAPITAL MARKETS - 0.9%	
25,000	Goldman Sachs Group Inc., Series D, (6)	6.045%
20,000	Goldman Sachs Group Inc., (6)	6.200%
77,700	Lehman Brothers Holdings Inc., Series F, (6)	6.500%
	Total Capital Markets	
	COMMERCIAL BANKS - 2.5%	
41,100	Abbey National PLC, Series C	7.375%
40,000	ABN AMRO Capital Trust Fund VII	6.080%
25,000	Banco Santander, (6)	6.410%
50,000	Bank of America Corporation, Series D, (6)	6.204%
50,000	HSBC USA Inc., Series G	6.124%
50,000	HSBC USA Inc., (6)	6.500%
40,000	Royal Bank of Scotland Group PLC, Series M	6.400%
40,000	Royal Bank of Scotland Group PLC, Series N	6.350%
20,000	SunTrust Bank Inc., (6)	5.895%
	Total Commercial Banks	
	CONSUMER FINANCE - 0.5%	
34,100	SLM Corporation, Series A, (6)	6.970%
	DIVERSIFIED FINANCIAL SERVICES - 1.6%	
10,000	CIT Group Inc., Series A, (6)	6.350%
19,500	Citigroup Inc., Series F, (6)	6.365%
28,900	Citigroup Inc., Series H, (6)	6.231%
50,000	Deutsche Bank Capital Funding Trust VIII	6.375%
48,400	ING Group N.V.	7.200%

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Nuveen Tax-Advantaged Total Return Strategy Fund (JTA) (continued)

Portfolio of INVESTMENTS December 31, 2006

SHARES	DESCRIPTION (1)	COUPON
	DIVERSIFIED FINANCIAL SERVICES (continued)	
5,000	ING Group N.V.	7.050%
15,000	ING Group N.V.	6.125%
	Total Diversified Financial Services	
	ELECTRIC UTILITIES - 1.7%	
39,400	Alabama Power Company, Series A, (6)	5.300%
50,000	Alabama Power Company	5.625%
40,000	Georgia Power Company	6.125%
34,700	Interstate Power and Light Company, (6)	7.100%
40,000	Mississippi Power Company	5.250%
40,000	PPL Electric Utilities Corporation	6.250%
	Total Electric Utilities	

	INSURANCE - 2.2%		
50,300	Ace Ltd., Series C	7.800%	
71,900	Aegon N.V., (6)	6.375%	
20,000	Arch Capital Group Limited	8.000%	
50,000	Endurance Specialty Holdings Limited	7.750%	
30,000	Prudential PLC	6.750%	
30,000	Prudential PLC, (6)	6.500%	
50,000	RenaissanceRe Holdings Ltd	6.600%	
	Total Insurance		
	THRIFTS & MORTGAGE FINANCE - 0.1%		
20,000	Washington Mutual Inc.	6.065%	
	U.S. AGENCY - 1.7%		
20,000	Federal National Mortgage Association, (6)	5.500%	
19,800	Federal National Mortgage Association, (6)	5.125%	
25,000	Federal Home Loan Mortgage Corporation, (6)	6.420%	
18,400	Federal Home Loan Mortgage Corporation, (6)	6.000%	
20,000	Federal Home Loan Mortgage Corporation, (6)	5.700%	
27,100	Federal Home Loan Mortgage Corporation, (6)	5.000%	
	Total U.S. Agency		
	TOTAL $25 PAR (OR SIMILAR) PREFERRED SECURITIES (COST $40,494,632)		

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	WEIGHTED AVERAGE COUPON	MATURITY (3)
	VARIABLE RATE SENIOR LOAN INTERESTS - 24.4% (17.0% OF TOTAL INVESTMENTS) (4)		
	AEROSPACE & DEFENSE - 1.5%		
$ 1,632	Hexcel Corporation, Term Loan B	7.125%	3/01/12
1,633	K&F Industries, Inc., Term Loan C	7.350%	11/18/12
1,606	Vought Aircraft Industries, Inc., Term Loan	7.880%	12/22/11
364	Vought Aircraft Industries, Inc., Tranche B, Letter of Credit	7.822%	12/22/10
5,235	Total Aerospace & Defense		
	AUTO COMPONENTS - 0.5%		
2,000	Federal Mogul Corporation, Term Loan A, (5)	7.600%	2/24/04
	BUILDING PRODUCTS - 1.1%		
2,000	Armstrong World Industries, Term Loan	7.100%	10/02/13
1,769	PP Acquisition Corporation, Term Loan	8.350%	11/12/11
3,769	Total Building Products		
	CHEMICALS - 1.6%		
1,621	Georgia Gulf Corporation, Term Loan B	7.350%	10/03/13
1,995	Lyondell Citgo Refining LP, Term Loan	7.121%	8/16/13
1,970	Rockwood Specialties Group, Inc., Term Loan E	7.376%	7/30/12
5,586	Total Chemicals		

	COMMERCIAL SERVICES & SUPPLIES - 0.6%		
689	Allied Waste North America, Inc., Letter of Credit	7.073%	1/15/12
1,553	Allied Waste North America, Inc., Term Loan B	7.158%	1/15/12
2,242	Total Commercial Services & Supplies		

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	WEIGHTED AVERAGE COUPON	MATURITY (3)
	CONTAINERS & PACKAGING - 1.5%		
$ 1,995	Berry Plastics Corporation, Term Loan	7.124%	8/31/13
1,995	Graham Packaging Company, L.P., Term Loan B	7.726%	10/07/11
175	Smurfit-Stone Container Corporation, Deposit-Funded Commitment	7.572%	11/01/11
702	Smurfit-Stone Container Corporation, Term Loan B	7.625%	11/01/11
422	Smurfit-Stone Container Corporation, Term Loan C	7.625%	11/01/11
132	Smurfit-Stone Container Corporation, Tranche C-1	7.625%	11/01/11
5,421	Total Containers & Packaging		
	DIVERSIFIED TELECOMMUNICATION SERVICES - 1.7%		
2,000	Cequel Communications LLC., Term Loan B	7.620%	11/05/13
1,981	Madison River Capital LLC, Term Loan	7.620%	7/29/12
1,995	MetroPCS Inc., Term Loan	7.875%	11/03/13
5,976	Total Diversified Telecommunication Services		
	ELECTRIC UTILITIES - 0.3%		
990	Mirant Corporation, Term Loan	7.100%	1/03/13
	ELECTRICAL EQUIPMENT - 0.5%		
1,583	Sensus Metering Systems Inc., Term Loan B-1	7.441%	12/17/10
210	Sensus Metering Systems Inc., Term Loan B-2	7.493%	12/17/10
1,793	Total Electrical Equipment		
	HEALTH CARE PROVIDERS & SERVICES - 2.4%		
1,719	Davita Inc., Term Loan B	7.422%	10/05/12
2,000	HCA, Inc., Term Loan	8.114%	11/17/13
1,950	IASIS Healthcare LLC, Term Loan B	7.729%	6/22/11
2,000	LifePoint Hospitals Holdings, Inc., Term Loan B	6.975%	4/18/12
993	Quintiles Transnational Corporation, Term Loan B	7.360%	3/31/13
8,662	Total Health Care Providers & Services		
	HOTELS, RESTAURANTS & LEISURE - 2.4%		
1,985	24 Hour Fitness Worldwide, Inc., Term Loan B	7.870%	7/17/12
122	CBRL Group, Inc., Delayed Draw, Term Loan B-2, (7) (8)	0.075%	4/27/13
782	CBRL Group, Inc., Term Loan B-1	6.868%	4/27/13
1,975	Penn National Gaming, Inc., Term Loan B	7.132%	10/03/12
1,000	Pinnacle Entertainment Inc., Term Loan	7.350%	12/14/11

909	TDS Investor Corp., Letter of Credit	8.364%	8/23/13
89	TDS Investor Corp., Term Loan	8.364%	8/23/13
342	Venetian Casino Resort, LLC, Delayed Draw, Term Loan	7.120%	6/15/11
1,658	Venetian Casino Resort, LLC, Term Loan	7.120%	6/15/11
8,862	Total Hotels, Restaurants & Leisure		
	HOUSEHOLD PRODUCTS - 0.5%		
1,923	Solo Cup Company, Term Loan	8.797%	2/27/11
	INSURANCE - 0.3%		
1,183	Conseco, Inc., Term Loan	7.350%	10/10/13
	IT SERVICES - 1.0%		
1,730	Fidelity National Information Services, Term Loan B	7.100%	3/09/13
1,975	SunGard Data Systems Inc., Term Loan B	7.875%	2/11/13
3,705	Total IT Services		
	MACHINERY - 0.1%		
421	Dresser-Rand Group, Inc., Term Loan	7.355%	10/29/07
	MEDIA - 3.6%		
1,990	Cablevision Systems Corporation, Incremental Term Loan	7.123%	3/29/13
2,000	Charter Communications Inc., Term Loan B	8.005%	4/28/13
2,000	Idearc Inc., Term Loan	7.350%	11/17/14
988	Metro-Goldwyn-Mayer Studios, Inc., Term Loan B	8.614%	4/08/12
2,000	Neilsen Finance LLC, Term Loan B	8.125%	8/01/13
1,886	Regal Cinemas Corporation, Term Loan	7.114%	11/10/10
2,180	WMG Acquisition Corp., Term Loan	7.373%	2/28/11
13,044	Total Media		

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Nuveen Tax-Advantaged Total Return Strategy Fund (JTA) (continued)

Portfolio of INVESTMENTS December 31, 2006

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	WEIGHTED AVERAGE COUPON	MATURITY (3)
	METALS & MINING - 0.4%		
$ 1,032	Amsted Industries Incorporated, Delayed Draw, Term Loan, (7) (8)	0.500%	4/05/13
1,425	Amsted Industries Incorporated, Term Loan B	7.369%	4/05/13
2,457	Total Metals & Mining		
	MULTI-UTILITIES - 0.6%		
591	NRG Energy Inc., Credit-Linked Deposit	7.364%	2/01/13

1,434	NRG Energy Inc., Term Loan	7.364%	2/01/13
2,025	Total Multi-Utilities		
	PAPER & FOREST PRODUCTS - 1.1%		
3,975	Georgia-Pacific Corporation, Term Loan B	7.356%	2/13/12
	REAL ESTATE MANAGEMENT & DEVELOPMENT - 0.4%		
1,500	LNR Property Corporation, Term Loan B	8.120%	7/12/11
	SEMICONDUCTORS & EQUIPMENT - 0.5%		
1,777	Advanced Micro Devices, Term Loan B	7.620%	12/31/13
	SPECIALTY RETAIL - 0.4%		
1,500	TRU 2005 RE Holding Co. 1, Term Loan, WI/DD	TBD	TBD
	TEXTILES, APPAREL & LUXURY GOODS - 0.5%		
1,852	HanesBrands Inc., Term Loan	7.681%	9/15/13
	TRADING COMPANIES & DISTRIBUTORS - 0.9%		
1,000	Ashtead Group Public Limited Company, Term Loan B	7.188%	8/31/11
196	Brenntag Holding GmbH and Company KG, Acquisition Facility Term Loan	8.080%	1/20/14
804	Brenntag Holdings, Term Loan B2	8.080%	1/20/14
337	United Rentals Inc., Credit Linked Deposit	5.220%	2/13/11
744	United Rentals Inc., Term Loan B	7.350%	2/14/11
3,081	Total Trading Companies & Distributors		
$ 88,979	TOTAL VARIABLE RATE SENIOR LOAN INTERESTS (COST $87,750,019)		

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	COUPON	MATURITY
	CORPORATE BONDS - 1.7% (1.2% OF TOTAL INVESTMENTS)		
	HOTELS, RESTAURANTS & LEISURE - 1.1%		
$ 2,000	MGM Mirage, Inc.	6.750%	8/01/07
2,000	Park Place Entertainment	8.875%	9/15/08
4,000	Total Hotels, Restaurants & Leisure		
	HOUSEHOLD DURABLES - 0.6%		
2,000	D.R. Horton, Inc.	7.500%	12/01/07
$ 6,000	TOTAL CORPORATE BONDS (COST $6,178,185)		

SHARES	DESCRIPTION (1)	COUPON	MATURITY
	CAPITAL PREFERRED SECURITIES - 1.0% (0.7% OF TOTAL INVESTMENTS)		
	ELECTRIC UTILITIES - 1.0%		
12,400	Consolidated Edison Company of New York Inc.	5.000%	8/01/53
9,000	Southern California Edison Company, Series A	5.349%	4/27/35
10,000	Southern California Edison Company, Series C	6.000%	4/30/56
5,000	Southern California Edison Company	6.125%	12/31/55
	Total Electric Utilities		

TOTAL CAPITAL PREFERRED SECURITIES
(COST $3,478,855)

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	COUPON	MATURITY
	SHORT-TERM INVESTMENTS - 2.3% (1.6% OF TOTAL INVESTMENTS)		
$ 8,334	Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/29/06, repurchase price $8,338,470, collateralized by $8,720,000 U.S. Treasury Notes, 3.000%, due 2/15/09, value $8,502,000	4.580%	1/02/07
	TOTAL SHORT-TERM INVESTMENTS (COST $8,334,229)		
	TOTAL INVESTMENTS (COST $430,265,498) - 143.9%		
	BORROWINGS PAYABLE - (9.1)% (9)		
	FUNDNOTES - (21.6)%		
	OTHER ASSETS LESS LIABILITIES - (0.7)%		
	FUNDPREFERRED SHARES, AT LIQUIDATION VALUE - (12.5)%		
	NET ASSETS APPLICABLE TO COMMON SHARES - 100%		

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

(2) Ratings (not covered by the report of independent registered public accounting f Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by St Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

(3) Senior Loans generally are subject to mandatory and/or optional prepayment. Beca these mandatory prepayment conditions and because there may be significant econo incentives for a Borrower to prepay, prepayments of Senior Loans may occur. As a the actual remaining maturity of Senior Loans held may be substantially less tha 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 p assigned fixed rate. These floating lending rates are generally (i) the lending referenced by the London Inter-Bank Offered Rate ('LIBOR'), or (ii) the prime ra by one or more major United States banks.
Senior Loans may be considered restricted in that the Fund ordinarily is contrac obligated to receive approval from the Agent Bank and/or Borrower prior to the d of a Senior Loan.

(5) At or subsequent to December 31, 2006, this issue was under the protection of th Bankruptcy Court.

(6)	Investment is eligible for the Dividends Received Deduction.
(7)	Position represents an unfunded Senior Loan commitment outstanding at December 3
(8)	Negative value represents unrealized depreciation on Senior Loan commitment at D 31, 2006.
(9)	Borrowings payable as a percentage of total investments is (6.4)%.
N/R	Not rated.
WI/DD	Purchased on a when-issued/delayed delivery basis.
ADR	American Depositary Receipt.
TBD	Senior Loan purchased on a when-issued/delayed-delivery basis. Certain details a with this purchase are not known prior to the settlement date of the transaction addition, Senior Loans typically trade without accrued interest and therefore a average coupon rate is not available prior to settlement. At settlement, if stil the Borrower or counterparty will provide the Fund with the final weighted avera rate and maturity date.

See accompanying notes to financial statements.

Statement of
ASSETS AND LIABILITIES December 31, 2006

ASSETS	
Investments, at value (cost $430,265,498)	$ 519,190,884
Receivables:	
Dividends	1,021,122
Interest	1,003,261
Investments sold	523,637
Reclaims	48,921
Deferred FundNotes offering costs	1,679,189
Other assets	18,320
Total assets	523,485,334
LIABILITIES	
Borrowings	33,000,000
Payables:	
Investments purchased	1,496,250
Federal corporate income tax	4,560,679
FundNotes	78,000,000
Accrued expenses:	
Management fees	248,064
Interest on borrowings	292,426
Other	97,678
FundNotes interest payable	28,574
FundPreferred shares dividends payable	21,456
Total liabilities	117,745,127
FundPreferred shares, at liquidation value	45,000,000
Net assets applicable to Common shares	$ 360,740,207
Common shares outstanding	13,887,934

Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	$ 25.98

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

Common shares, $.01 par value per share	$ 138,879
Paid-in surplus(1)	272,078,433
Undistributed (Over-distribution of) net investment income	(402,491)
Accumulated net realized gain (loss) from investments	--
Net unrealized appreciation (depreciation) of investments	88,925,386
Net assets applicable to Common shares	$ 360,740,207
Authorized shares:	
Common	Unlimited
FundPreferred	Unlimited

(1) Includes retained realized long-term capital gains of $13,030,512, net of Federal corporate income taxes of $4,560,679.

See accompanying notes to financial statements.

Statement of
OPERATIONS Year Ended December 31, 2006

INVESTMENT INCOME	
Dividends (net of foreign tax withheld of $230,928)	$13,784,299
Interest	6,351,217
Fees	33,354
Total investment income	20,168,870
EXPENSES	
Management fees	4,157,269
FundNotes interest expense and amortization of offering costs	3,692,413
FundNotes and FundPreferred shares - auction fees	307,502
FundNotes and FundPreferred shares - dividend disbursing agent fees	18,292
Shareholders' servicing agent fees and expenses	1,171
Interest expense	767,333
Custodian's fees and expenses	102,368
Trustees' fees and expenses	14,635
Professional fees	58,678
Shareholders' reports - printing and mailing expenses	69,570
Stock exchange listing fees	9,823
Investor relations expense	48,735
Other expenses	29,149
Total expenses before custodian fee credit and expense	

reimbursement	9,276,938
Custodian fee credit	(4,006)
Expense reimbursement	(1,499,504)
Net expenses	7,773,428
Net investment income	12,395,442
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from investments (net of Federal corporate income taxes of $4,560,679 on long-term capital gains retained)	19,797,397
Change in net unrealized appreciation (depreciation) of investments	42,186,210
Net realized and unrealized gain (loss)	61,983,607
DISTRIBUTIONS TO FUNDPREFERRED SHAREHOLDERS	
From net investment income	(684,168)
From accumulated net realized gains	(1,265,973)
Decrease in net assets applicable to Common shares from distributions to FundPreferred shareholders	(1,950,141)
Net increase (decrease) in net assets applicable to Common shares from operations	$72,428,908

See accompanying notes to financial statements.

Statement of
CHANGES IN NET ASSETS

	YEAR ENDED 12/31/06
OPERATIONS	
Net investment income	$ 12,395,442
Net realized gain (loss) from investments (net of Federal corporate income taxes of $4,560,679 and $0, respectively, on long-term capital gains retained)	19,797,397
Change in net unrealized appreciation (depreciation) of investments	42,186,210
Distributions to FundPreferred shareholders:	
From net investment income	(684,168)
From accumulated net realized gains	(1,265,973)
Net increase (decrease) in net assets applicable to Common shares from operations	72,428,908
DISTRIBUTIONS TO COMMON SHAREHOLDERS	
From net investment income	(12,216,747)
From accumulated net realized gains	(9,753,316)

Decrease in net assets applicable to Common shares from distributions to Common shareholders	(21,970,063)
CAPITAL SHARE TRANSACTIONS	
Common shares:	
Offering costs adjustments	(4,264)
Net proceeds from shares issued to shareholders due to reinvestment of distributions	817,373
FundPreferred shares offering costs adjustments	15,800
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	828,909
Net increase (decrease) in net assets applicable to Common shares	51,287,754
Net assets applicable to Common shares at the beginning of year	309,452,453
Net assets applicable to Common shares at the end of year	$ 360,740,207
Undistributed (Over-distribution of) net investment income at the end of year	$ (402,491)

See accompanying notes to financial statements.

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Statement of
CASH FLOWS Year Ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:	
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS	$ 72,428,908
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 investments	(140,181,278)
Proceeds from sales of investments	113,720,783
Proceeds from (Purchases of) short-term investments, net	4,806,153
Amortization/(Accretion) of premiums and discounts, net	173,127
(Increase) Decrease in receivable for dividends	189,863
(Increase) Decrease in receivable for interest	(302,481)
(Increase) Decrease in receivable for investments sold	(491,216)
(Increase) Decrease in receivable for reclaims	(18,259)
(Increase) Decrease in other assets	(8,429)
Increase (Decrease) in payable for investments purchased	(637,174)
Increase (Decrease) in payable for Federal corporate income tax	4,560,679
Increase (Decrease) in accrued management fees	37,491
Increase (Decrease) in interest on borrowings	292,426
Increase (Decrease) in accrued other liabilities	(16,710)
Increase (Decrease) in FundNotes interest payable	12,635

Increase (Decrease) in FundPreferred shares dividends payable	4,808
Net realized (gain) loss from investments	(19,797,397)
Net realized (gain) loss from paydowns	72,883
Change in net unrealized (appreciation) depreciation of investments	(42,186,210)
Federal corporate income taxes on retained capital gains	(4,560,679)
Net cash provided by (used in) operating activities	(11,900,077)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Cash distributions paid to Common shareholders	(21,156,954)
Change in borrowings	33,000,000
FundNotes:	
(Increase) Decrease in deferred FundNotes offering costs	41,231
FundPreferred shares offering costs adjustments	15,800
Net cash provided by (used in) financing activities	11,900,077
NET INCREASE (DECREASE) IN CASH	--
Cash at the beginning of year	--
CASH AT THE END OF YEAR	$ --

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest on borrowings during the fiscal year ended December 31, 2006, was $474,907.

Cash paid for interest on FundNotes (excluding amortization of FundNotes offering costs) during the fiscal year ended December 31, 2006, was $3,638,547.

Non-cash financing activities not included herein consist of reinvestments of Common share distributions of $817,373.

See accompanying notes to financial statements.

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Nuveen Tax-Advantaged Total Return Strategy 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 "JTA." The Fund was organized as a Massachusetts business trust on October 1, 2003.

The Fund seeks to provide a high level of after-tax total return consisting primarily of tax-advantaged dividend income and capital appreciation by investing primarily in a portfolio of dividend-paying common stocks that the Fund believes at the time of investment are eligible to pay dividends that qualify for favorable Federal income taxation at rates applicable to long-term capital gains ("tax-advantaged dividends"). The Fund will also invest to a more limited extent in preferred securities that are eligible to pay tax-advantaged dividends, as well as senior loans (both secured and unsecured), domestic corporate bonds, notes and debentures, convertible debt securities, and other similar types of corporate instruments, including high yield debt securities, that are not eligible to pay tax-advantaged dividends.

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. When price quotes are not readily available, the pricing service or, in the absence of a pricing service for a particular investment, the Board of Trustees of the Fund, or its designee, may establish fair 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. If it is determined that the market price for an investment is unavailable or inappropriate, the Board of Trustees of the Fund, or its designee, may establish fair value in accordance with procedures established in good faith by the Board of Trustees. 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/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/delayed delivery purchase commitments. At December 31, 2006, the Fund had outstanding when-issued/delayed delivery purchase commitments of $1,496,250.

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. 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 comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. The Fund intends to distribute substantially all of its investment company taxable income to shareholders. In any year when the Fund realizes net capital gains, the Fund may choose to distribute all or a portion of its net capital gains to shareholders, or alternatively, to retain all or a portion of its net capital gains and pay Federal corporate income taxes on such retained gains. During the tax year ended December 31, 2006, the Fund retained $13,030,512 of realized long-term capital gains, and accrued a provision for Federal corporate income taxes of $4,560,679, the net of which has been reclassified to Paid-in surplus.

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 corporate 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 per share. Subject to approval and oversight by the Fund's Board of Trustees, the Fund seeks to maintain a stable distribution level designed to deliver the long-term return potential of the Fund's investment strategy through regular monthly distributions (a "Managed Distribution Policy"). Total distributions during a calendar year generally will be made from the Fund's net investment income, net realized capital gains and net unrealized capital gains in the Fund's portfolio, if any. The portion of distributions paid from net unrealized gains, if any, would be distributed from the Fund's assets and would be treated by shareholders as a non-taxable distribution for tax purposes. If the Fund's total return on net asset value exceeds total distributions during a calendar year, the excess will be reflected as an increase in net asset value per share. In the event that total distributions during a calendar year exceed the Fund's total return on net asset value, the difference will be treated as a return of capital for tax purposes and will reduce net asset value per share. The final determination of the source and character of all distributions for the fiscal year are made after the end of the fiscal year and are reflected in the accompanying financial statements.

FundNotes

The Fund has issued and outstanding 3,120 Series F FundNotes, $25,000 stated value per share, that mature on April 24, 2034. The interest rate paid by the Fund 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. For the fiscal year ended December 31, 2006, the average daily balance of FundNotes was $78 million with an average annualized interest rate (including amortization of the FundNotes offering costs) of 4.73%.

FundPreferred Shares

The Fund has issued and outstanding 1,800 Series W FundPreferred shares, $25,000 stated value per share, as a means of effecting financial leverage. The dividend rate paid by the Fund 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 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 invest in any such instruments during the fiscal year ended December 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.

Organization and Offering Costs
Costs incurred by the Fund in connection with its offering of FundNotes are recorded as a deferred charge which are being amortized over the 30 year life of the FundNotes and included with "FundNotes interest expense and amortization of offering costs" on the Statement of Operations.

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
During the fiscal year ended December 31, 2006, 32,694 shares were issued to shareholders due to reinvestment of distributions. The Fund did not engage in transactions in its own shares during the fiscal year ended December 31, 2005.

3. INVESTMENT TRANSACTIONS
Purchases and sales (excluding short-term investments) during the fiscal year ended December 31, 2006, aggregated $140,181,278 and $113,720,783, 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, and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts

on the Statement of Assets and Liabilities presented in the annual report, based on their Federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Fund.

At December 31, 2006, the cost of investments was $430,647,633.

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

Gross unrealized:	
Appreciation	$93,443,663
Depreciation	(4,900,412)
Net unrealized appreciation (depreciation) of investments	$88,543,251

The tax components of undistributed net ordinary income and net long-term capital gains at December 31, 2006, the Fund's tax 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 tax years ended December 31, 2006 and December 31, 2005, was designated for purposes of the dividends paid deduction as follows:

2006	
Distributions from net ordinary income *	$13,681,235
Distributions from net long-term capital gains **	10,235,261

2005	
Distributions from net ordinary income *	$12,615,936
Distributions from net long-term capital gains	12,174,921

*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 the 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 year ended December 31, 2006.

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 fund assets managed by Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. ("Nuveen"), 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 December 31, 2006, the complex level fee rate was .1845%.

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 preferred stock issued by or borrowings 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") and Symphony Asset Management, LLC ("Symphony"). 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"). Symphony manages the portion of the Fund's investment portfolio allocated to senior loans and other debt instruments. NWQ and Symphony 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 JANUARY 31,		YEAR ENDING JANUARY 31,	
2004 *	.32%	2009	.32%
2005	.32	2010	.24
2006	.32	2011	.16
2007	.32	2012	.08
2008	.32		

* From the commencement of operations.

The Adviser has not agreed to reimburse the Fund for any portion of its fees and expenses beyond January 31, 2012.

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Notes to
FINANCIAL STATEMENTS (continued)

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 December 31, 2006, the Fund had unfunded senior loan commitments of $1,153,821.

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 December 31, 2006, there were no such outstanding participation commitments.

8. BORROWINGS
On August 2, 2006, the Fund entered into a $33 million revolving credit agreement with CITIBANK, N.A. On August 3, 2006, the Fund had borrowed the full $33 million allowed under the revolving credit agreement. For the fiscal year ended December 31, 2006, the average daily balance of borrowings under the revolving credit agreement was $13,652,055. The average annualized interest rate on such borrowings was 5.62%.

9. NEW ACCOUNTING PRONOUNCEMENTS
Financial Accounting Standards Board Interpretation No. 48
On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 Accounting for Uncertainty in Income Taxes (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Recent SEC guidance allows funds to delay implementing FIN 48 into NAV calculations until the fund's last NAV calculation in the first required financial statement reporting period. As a result, the Fund must begin to incorporate FIN 48 into its NAV calculation on June 29, 2007. At this time, management is continuing to evaluate the implications of FIN 48 and does not expect the adoption of FIN 48 will have a significant impact on the net assets or results of operations of the Fund.

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157
In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this standard relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of December 31, 2006, the Fund does not believe the adoption of SFAS No. 157 will impact the financial statement amounts; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements included within the Statement of

Operations for the period.

10. SUBSEQUENT EVENT

Distributions to Common Shareholders

The Fund declared a distribution of $.1500 per Common share which was paid on February 1, 2007, to shareholders of record on January 15, 2007.

Financial
HIGHLIGHTS

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

		Investment Operations				
	Beginning Common Share Net Asset Value	Net Investment Income(a)	Net Realized/ Unrealized Gain (Loss)(b)	Distributions from Net Investment Income to FundPreferred Share-holders+	Distributions from Capital Gains to FundPreferred Share-holders+	T
Year Ended 12/31:						
2006	$ 22.33	$ .89	$ 4.48	$ (.05)	$ (.09)	$
2005	21.54	.83	1.76	(.05)	(.05)	
2004(c)	19.10	.67	2.69	(.03)	--	

	Less Distributions					
	Net Investment Income to Common Share-holders	Capital Gains to Common Share-holders	Total	Offering Costs and FundPreferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value
Year Ended 12/31:						
2006	$ (.88)	$ (.70)	$(1.58)	$ --	$ 25.98	$ 27.09
2005	(.78)	(.91)	(1.69)	(.01)	22.33	21.37
2004(c)	(.67)	(.10)	(.77)	(.12)	21.54	19.35

	FundNotes at End of Period		
	Aggregate Amount Outstanding (000)	Average Market Value Per $25,000 of Principal Amount	Asset Coverage Per $1,000 of Principal Amount
Year Ended 12/31:			
2006	$ 78,000	$ 25,000	$ 6,202
2005	78,000	25,000	5,544
2004(c)	78,000	25,000	5,403

	FundPreferred Shares at End of Period			Borrowings a
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)
Year Ended 12/31:				
2006	$ 45,000	$ 25,000	$ 225,411	$ 33,000
2005	45,000	25,000	196,918	--
2004(c)	45,000	25,000	190,805	--

* 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 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.

- The Fund elected to retain a portion of its realized long-term capital gains for the tax year ended December 31, 2006, and pay required Federal corporate income taxes on these gains. As reported on Form 2439, Common shareholders of record on December 29, 2006, must include their pro-rata share of these gains on their 2006 Federal tax returns, and will receive a corresponding credit toward their taxes, or a tax refund, for their pro-rata share of the taxes paid by the Fund. The standardized total returns shown above do not include the economic benefit to Common shareholders of record of this tax credit/refund. The Fund's corresponding 2006 total return on market value and net asset value when this benefit is included are 37.15% and 25.75%, respectively.

*** After custodian fee credit and expense reimbursement, where applicable.

\+ 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, FundNotes and borrowings.
- Each Ratio of Expenses to Average Net Assets Applicable to Common Shares and each Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares includes the effect of the interest expense paid on FundNotes and borrowings as follows:

	Ratio of FundNotes Interest Expense and Amortization of FundNotes Offering Costs to Average Net Assets Applicable to Common Shares	Ratio of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares
2006	1.11%	.23%
2005	.80	--
2004(c)	.37*	--

(a) Per share Net Investment Income is calculated using the average daily shares method.
(b) Net of Federal corporate income taxes on long-term capital gains retained by the Fund of $0.33 per share for the fiscal year ended December 31, 2006.
(c) For the period January 27, 2004 (commencement of operations) through December 31, 2004.

Total Returns		Ratios/Supplemental Data				
			Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement		Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement***	
Based on Market Value**	Based on Common Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)	Expenses++	Net Investment Income++	Expenses++	Net Investment Income++
35.52%	24.19%	$ 360,740	2.79%	3.28%	2.34%	3.73%
20.00	11.93	309,452	2.26	3.36	1.81	3.81
.91	17.18	298,449	1.80*	3.30*	1.37*	3.73*

Board Members
AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board

Members of the Funds. The number of board members of the Fund is currently set at ten. None of the board members who are not "interested" persons of the Funds has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED(2)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIP DURING PAST 5 YEARS
BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUNDS:			
Timothy R. Schwertfeger(1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board Member	1994	Chairman (since 1996) and Di of Nuveen Investments, Inc., Investments, LLC; Chairman a Director (since 1997) of Nuv Asset Management; Chairman a Director of Rittenhouse Asse Management, Inc. (since 1999 Chairman of Nuveen Investmen Advisers Inc. (since 2002); formerly, Chairman and Direc (1996-2004) Nuveen Advisory and Nuveen Institutional Adv Corp.(3); formerly, Director (1996-2006) of Institutional Capital Corporation.
BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:			
Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Lead Independent Board member	1997	Private Investor and Managem Consultant.
Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606	Board member	1993	Retired (since 1989) as Seni President of The Northern Tr Company; Director (since 200 Community Advisory Board for Highland Park and Highwood, Way of the North Shore; Dire (since 2006) of the Michael Pancreatic Cancer Foundation
Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board member	1999	President, The Hall-Perrine Foundation, a private philan corporation (since 1996); Di and Vice Chairman, United Fi Group, a publicly held compa Adjunct Faculty Member, Univ of Iowa; Director, Gazette Companies; Life Trustee of C College and Iowa College Foundation; formerly, Direct Alliant Energy; formerly, Di Federal Reserve Bank of Chic formerly, President and Chie

			Operating Officer, SCI Finan Group, Inc., a regional fina services firm.
William C. Hunter 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board member	2004	Dean, Tippie College of Busi University of Iowa (since Ju 2006); formerly, Dean and Distinguished Professor of F School of Business at the University of Connecticut (2003-2006); previously, Sen Vice President and Director Research at the Federal Rese Bank of Chicago (1995-2003); Director (since 1997), Credi Research Center at Georgetow University; Director (since of Xerox Corporation; Direct SS&C Technologies, Inc. (May October 2005).
David J. Kundert 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board member	2005	Director, Northwestern Mutua Wealth Management Company; R (since 2004) as Chairman, JP Fleming Asset Management, Pr and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual prior thereto, Executive Vic President, Banc One Corporat Chairman and CEO, Banc One Investment Management Group; of Regents, Luther College; of the Wisconsin Bar Associa member of Board of Directors Friends of Boerner Botanical Gardens; member of Board of Directors, Milwaukee Reperto Theater.

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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED(2)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIP DURING PAST 5 YEARS
BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):			
William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	Chairman of Miller-Valentine Partners Ltd., a real estate investment company; formerly Senior Partner and Chief Ope Officer (retired, 2004) of Miller-Valentine Group; form Vice President, Miller-Valen

			Realty; Board Member, Chair Finance Committee and member Audit Committee of Premier H Partners, the not-for-profit company of Miami Valley Hosp Vice President, Dayton Philh Orchestra Association; Board Member, Regional Leaders For which promotes cooperation o economic development issues; Director, Dayton Development Coalition; formerly, Member, Community Advisory Board, Na City Bank, Dayton, Ohio and Business Advisory Council, Cleveland Federal Reserve Ba
Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	Executive Director, Gaylord Dorothy Donnelley Foundation 1994); prior thereto, Execut Director, Great Lakes Protec Fund (from 1990 to 1994).
Carole E. Stone 6/28/47 333 West Wacker Drive Chicago, IL 60606	Board Member	2007	Director, Chicago Board Opti Exchange (since 2006); Chair York Racing Association Over Board (since 2005); Commissi New York State Commission on Authority Reform (since 2005 formerly Director, New York Division of the Budget (2000 Chair, Public Authorities Co Board (2000-2004) and Direct Local Government Assistance Corporation (2000-2004).
Eugene S. Sunshine 1/22/50 333 W. Wacker Drive Chicago, IL 60606	Board member	2005	Senior Vice President for Bu and Finance, Northwestern University (since 1997); Dir (since 2003), Chicago Board Exchange; Chairman (since 19 Board of Directors, Rubicon, captive insurance company ow Northwestern University; Dir (since 1997), Evanston Chamb Commerce and Evanston Invent business development organiz Director (since 2006), Pathw provider of therapy and rela information for physically d infants and young children; formerly, Director (2003-200 National Mentor Holdings, a privately-held, national pro of home and community-based services.

Board Members
AND OFFICERS (CONTINUED)

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED(4)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
OFFICERS OF THE FUND:			
Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	Managing Director (since 200 Assistant Secretary and Asso General Counsel, formerly, V President and Assistant Gene Counsel, of Nuveen Investmen LLC; Managing Director (2002 General Counsel (1998-2004) Assistant Secretary, formerl President of Nuveen Advisory and Nuveen Institutional Adv Corp.(3); Managing Director 2002) and Assistant Secretar Associate General Counsel, formerly, Vice President (si 1997), of Nuveen Asset Manag Managing Director (since 200 Assistant Secretary (since 1 Nuveen Investments, Inc.; As Secretary of NWQ Investment Management Company, LLC. (si 2002); Vice President and As Secretary of Nuveen Investme Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistan Secretary of Rittenhouse Ass Management, Inc.; Assistant Secretary of Symphony Asset Management LLC (since 2003), Tradewinds NWQ Global Invest LLC and Santa Barbara Asset Management, LLC; (since 2006 Chartered Financial Analyst.
Julia L. Antonatos 9/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2004	Managing Director (since 200 formerly, Vice President (si 2002); formerly, Assistant V President (since 2000) of Nu Investments, LLC; Chartered Financial Analyst.
Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2000	Vice President (since 2002), formerly, Assistant Vice Pre (since 2000) of Nuveen Inves LLC.
Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606	Vice President	1999	Vice President and Treasurer Nuveen Investments, LLC and Nuveen Investments, Inc. (si 1999); Vice President and Tr

			of Nuveen Asset Management (2002) and of Nuveen Investme Advisers Inc. (since 2002); Assistant Treasurer of NWQ Investment Management Compan (since 2002); Vice President Treasurer of Nuveen Rittenho Asset Management, Inc. (sinc 2003); Treasurer of Symphony Management LLC (since 2003) Santa Barbara Asset Manageme (since 2006); Assistant Trea Tradewinds NWQ Global Invest LLC (since 2006); formerly, President and Treasurer (199 of Nuveen Advisory Corp. and Institutional Advisory Corp. Chartered Financial Analyst.
John N. Desmond 8/24/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2005	Vice President, Director of Investment Operations, Nuvee Investments, LLC (since Janu 2005); formerly, Director, B Manager, Deutsche Asset Mana (2003- 2004), Director, Busi Development and Transformati Deutsche Trust Bank Japan (2002-2003); previously, Sen Vice President, Head of Inve Operations and Systems, Scud Investments Japan, (2000-200 Senior Vice President, Head Administration and Participa Services, Scudder Investment (1995-2002).

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED(4)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
OFFICERS OF THE FUNDS (CONTINUED)			
Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	1998	Vice President (since 2002), Assistant Secretary and Assi General Counsel (since 1998) formerly, Assistant Vice Pre (since 1998) of Nuveen Inves LLC; Vice President (2002-20 Assistant Secretary (1998-20 formerly, Assistant Vice Pre of Nuveen Advisory Corp. and Institutional Advisory Corp. Vice President and Assistant Secretary (since 2005) of Nu

			Asset Management.
Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	Managing Director (since 200 formerly, Vice President of Investments, LLC, Managing D (2004) formerly, Vice Presid (1998-2004) of Nuveen Adviso Corp. and Nuveen Institution Advisory Corp.(3); Managing Director (since 2005) of Nuv Asset Management.
William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606	Vice President	1995	Managing Director (since 200 formerly, Vice President of Investments, LLC; Managing D (1997-2004) of Nuveen Adviso Corp. and Nuveen Institution Advisory Corp.(3); Managing Director (since 2001) of Nuv Asset Management; Vice Presi (since 2002) of Nuveen Inves Advisers Inc.; Chartered Fin Analyst.
Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	Vice President (since 1993) Funds Controller (since 1998 Nuveen Investments, LLC; for Vice President and Funds Con (1998-2004) of Nuveen Invest Inc.; Certified Public Accou
Walter M. Kelly 2/24/70 333 West Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	2003	Vice President and Assistant Secretary (since 2006) forme Assistant Vice President and Assistant General Counsel (s 2003) of Nuveen Investments, Vice President (since 2006) Assistant Secretary (since 2 formerly, Assistant Vice Pre of Nuveen Asset Management; previously, Associate (2001- at the law firm of Vedder, P Kaufman & Kammholz.
David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	Vice President (since 2000) Nuveen Investments, LLC; Cer Public Accountant.
Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President of Nuveen Investments, LLC (since 1999

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Board Members
AND OFFICERS (CONTINUED)

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED(4)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
OFFICERS OF THE FUNDS (CONTINUED)			
Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1988	Vice President, Assistant Se and Assistant General Counse Nuveen Investments, LLC; for Vice President and Assistant Secretary of Nuveen Advisory and Nuveen Institutional Adv Corp.(3); Vice President (si 2005) and Assistant Secretar Nuveen Investments, Inc.; Vi President (since 2005) and Assistant Secretary (since 1 Nuveen Asset Management; Vic President (since 2000), Assi Secretary and Assistant Gene Counsel (since 1998) of Ritt Asset Management, Inc.; Vice President and Assistant Secr of Nuveen Investments Advise (since 2002); Assistant Secr of NWQ Investment Management Company, LLC (since 2002), S Asset Management LLC (since and Tradewinds NWQ Global Investors, LLC and Santa Bar Asset Management, LLC (since

(1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.

(2) Board members serve a three year term until his/her successor is elected. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.

(3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.

(4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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Reinvest Automatically
EASILY AND CONVENIENTLY

NUVEEN EXCHANGE-TRADED CLOSED-END FUNDS
DIVIDEND REINVESTMENT PLAN

Your Nuveen Exchange-Traded Closed-End Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional fund shares

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of compounding.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market, however, if shares begin trading at or above net asset value during the purchase period, the Fund will issue new shares at the greater of the net asset value of 95% of the then current market price. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBLE

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a $2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800)

257-8787.

Notes

OTHER USEFUL INFORMATION

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, 2006, 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.

DISTRIBUTION INFORMATION

Nuveen Tax-Advantaged Total Return Strategy Fund (JTA) designates 73.75% of dividends declared from net investment income as dividends qualifying for the 70% dividends received deduction for corporations and 94.21% as qualified dividend income for individuals under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

CEO CERTIFICATION DISCLOSURE

The Fund's Chief Executive Officer has submitted to the New York Stock Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

The Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

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 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 Preferred 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.

FUND MANAGER
Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN
State Street Bank & Trust Company
Boston, MA

TRANSFER AGENT AND
SHAREHOLDER SERVICES
State Street Bank & Trust Company
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

(BACK COVER PHOTO)

NUVEEN INVESTMENTS:

SERVING INVESTORS
FOR GENERATIONS

Since 1898, financial advisors and their clients have relied on Nuveen

Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

Managing $162 billion in assets, as of December 31, 2006, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under six distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; Symphony, a leading institutional manager of market-neutral alternative investment portfolios; Santa Barbara, a leader in growth equities; and Tradewinds NWQ, a leader in global equities.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest.

Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

LEARN MORE
ABOUT NUVEEN FUNDS AT
WWW.NUVEEN.COM/CEF

- Share prices
- Fund details
- Daily financial news
- Investor education
- Interactive planning tools

EAN-C-1206D

NUVEEN LOGO

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. [There were no amendments to or waivers from the Code during the period covered by this report.] The registrant has posted the code of ethics on its website at www.nuveen.com/etf. (To view the code, click on the Investor Resources drop down menu box, click on Fund

Governance and then click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, Chairman of the Audit Committee, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen Tax-Advantage Total Return Strategy Fund

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

FISCAL YEAR ENDED	AUDIT FEES BILLED TO FUND (1)	AUDIT-RELATED FEES BILLED TO FUND (2)	TAX BILLED
December 31, 2006	$ 23,000	$0	
Percentage approved pursuant to pre-approval exception	0%	0%	

December 31, 2005	$ 21,600	$0
Percentage approved pursuant to pre-approval exception	0%	0%

(1) "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

(2) "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees".

(3) "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.

(4) "All Other Fees" are the aggregate fees billed for products and services other than "Audit Fees", "Audit Related Fees", and "Tax Fees".

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE
ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management ("NAM" or the "Adviser"), and any entity controlling, controlled by or under common control with NAM ("Control Affiliate") that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

FISCAL YEAR ENDED	AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS	TAX FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (1)
December 31, 2006	$0	$5,400

Percentage approved pursuant to pre-approval exception	0%	0%
December 31, 2005	$0	$4,950
Percentage approved pursuant to pre-approval exception	0%	0%

(1) The amounts reported for the Fund under the column heading "Tax Fees" represents amounts billed to the Adviser exclusively for the preparation for the Fund's tax return, the cost of which is borne by the Adviser. In the aggregate, for all Nuveen funds for which Ernst & Young LLP serves as independent registered public accounting firm, these fees amounted to $288,000 in 2006 and $282,575 in 2005.

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. For engagements entered into on or after May 6, 2003, the Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

FISCAL YEAR ENDED	TOTAL NON-AUDIT FEE BILLED TO FUND	TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND)	TOT BIL AFFI PRO
December 31, 2006	$2,350	$5,400	
December 31, 2005	$1,722	$4,950	

"Non-Audit Fees billed to Adviser" for both fiscal year ends represent "Tax

Fees" billed to Adviser in their respective amounts from the previous table.

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than $10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under $10,000 but greater than $5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under $5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board of Directors or Trustees has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Lawrence H. Brown, Jack B. Evans, William J. Schneider and Eugene S. Sunshine.

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.

The Adviser has engaged NWQ Investment Management Company, LLC ("NWQ") and Symphony Asset Management, LLC ("Symphony") (NWQ and Symphony are also collectively referred to as "Sub-Advisers") as Sub-Advisers to provide discretionary investment advisory services. As part of these services, the Adviser has also delegated to each Sub-Adviser the full responsibility for proxy voting and related duties in accordance with the Sub-Adviser's policy and procedures. The Adviser periodically will monitor each Sub-Adviser's voting to ensure that they are carrying out their duties. The Sub-Advisers' proxy voting policies and procedures are summarized as follows:

NWQ

NWQ's Proxy Voting Policies and Procedures apply to securities held in client accounts over which NWQ Investment Management Company, LLC ("NWQ") has voting authority. NWQ shall vote proxies in respect of securities owned by or on behalf of a client in the client's best interests and without regard to the interests of NWQ or any other client of NWQ. NWQ has a Proxy Voting Committee to supervise the proxy voting process, including the identifying material conflicts of interest. Unless the Proxy Voting Committee otherwise determines (and documents the basis for its decision) or as otherwise provided below, the Proxy Voting Committee shall cause proxies to be voted in a manner consistent with the recommendations or guidelines of an independent third party proxy service or other third party. In most cases, NWQ has adopted the guidelines of and will generally vote in accordance with the recommendations of Institutional Shareholder Services, Inc. As a general matter, unless otherwise restricted NWQ reserves the right to override the applicable Recommendations or Guidelines in any situation where it believes that following such Recommendations or Guidelines is not in its clients' best interests.

Where any material conflict of interest has been identified and the matter is covered by the applicable Recommendation or Guidelines, the Proxy Voting Committee shall cause proxies to be voted in accordance with the applicable Recommendation or Guidelines. Where any material conflict of interest has been identified and the matter is not covered by the applicable Recommendation or Guidelines, NWQ may (i) vote in accordance with the recommendation of an alterative independent third party (who may be an proxy voting service) or (ii) disclose the conflict to the client, obtain the client's consent to vote, and make the proxy voting determination itself (and document the basis for the decision).

NWQ may determine not to vote proxies in respect of securities of any issuer if it determines it would be in its clients' overall best interests not to vote. NWQ may decline to vote proxies where the voting would in NWQ's judgment result in some other financial, administrative, legal or regulatory disability or burden to NWQ or the client (such as blocking subsequent purchases or imputing control with respect to the issuer). To the extent that NWQ receives proxies for securities that are transferred into a client's portfolio that were not recommended or selected by NWQ and are sold or expected to be sold promptly in an orderly manner ("legacy securities"), NWQ will generally refrain from voting such proxies.

NWQ shall retain required records relating to the voting of proxies and shall provide a client with information on how NWQ voted proxies on behalf of the client as requested.

SYMPHONY

Symphony uses the proxy voting services of Institutional Shareholder Services ("ISS"). The ISS Proxy Voting Services provide Symphony and its clients with an independent source of proxy voting research and services. The use of ISS is designed to offer client-centered proxy voting which minimizes conflicts of interests between Symphony's interests and those of its clients.

In order to monitor how ISS votes client proxies, Symphony has established a Proxy Voting Review Committee (the "Committee"). The Committee is composed of Symphony's Chief Operating Officer and its Chief Investment Officer. Each year, the Committee reviews ISS proxy voting policies and practices to determine whether such policies and practices are consistent with Symphony's fiduciary duty to the clients for whom Symphony is responsible for voting proxies. During the year, the Committee review how ISS votes on specific issues. From time to time, the Committee discusses the proxy voting process with representatives of ISS in order to ensure that Symphony's client interests are being protected. When Symphony disagrees with ISS' policies with respect to certain issues, Symphony will direct the voting of its clients' proxies according to what Symphony believes is the best interests of its clients.

Clients who have questions about how particular proxies are voted for their account may request such information from Symphony by calling (415) 676-4000.

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

The Adviser has engaged Symphony Asset Management, LLC ("Symphony") and NWQ Investment Company, LLC ("NWQ") (Symphony and NWQ are also collectively referred to as "Sub-Advisers") as Sub-Advisers to provide discretionary investment advisory services with respect to the registrant's investments in senior loans and other debt instruments and equity investments, respectively. The following section provides information on the portfolio managers at each Sub-Adviser:

SYMPHONY

Item 8 (a)(1). PORTFOLIO MANAGER BIOGRAPHIES:

GUNTHER STEIN, Director of Fixed Income Strategies, Portfolio Manager

Gunther Stein is the lead portfolio manager for High Yield strategies at Symphony and is the lead portfolio manager of Symphony's senior loan asset management team. Prior to joining Symphony in 1999, Gunther was a high yield portfolio manager at Wells Fargo Bank, where he was responsible for investing in public high yield bonds and bank loans and also managed a team of credit analysts. Gunther joined Wells Fargo in 1993 as an Associate in its Loan Syndications/Leveraged Finance Group. Previously, Gunther worked for four years as a euro-currency deposit trader with First Interstate Bank. He has also worked for Standard Chartered Bank, Mexico City and Citibank Investment Bank, London. He completed Wells Fargo's Credit Management Training program and holds an M.B.A. from the University of Texas, Austin. He graduated from the University of California at Berkeley with a B.A. in Economics.

LENNY MASON, Fixed-Income Portfolio Manager

Lenny Mason is a Fixed-Income Portfolio Manager for Symphony. His responsibilities include portfolio management for Symphony's high yield and bank loan strategies and credit research for its fixed income strategies. Prior to joining Symphony in 2001, Lenny was a Managing Director in FleetBoston's Technology & Communications Group where he headed its five-member Structuring and Advisory Team. He joined FleetBoston in 1995 as an Assistant Vice President in its Media & Communications Group. Before joining Fleet, Lenny worked for Wells Fargo Bank's Corporate Banking Group dealing primarily with leveraged transactions and for Coopers & Lybrand as an auditor. Lenny has an MBA in Finance from the University of Chicago, a BS in Accounting from Babson College. Lenny is a Certified Public Accountant.

Item 8 (a)(2). Other Accounts Managed

	Gunther Stein	Lenny Mason
(a) RICs		
Number of accts	7	7
Assets ($000s)	$1,420	$1,420
(b) Other pooled accts		
Non-performance fee accts		
Number of accts	3	3
Assets ($000s)	$ 432	$ 432
Performance fee accts		
Number of accts	8	2
Assets ($000s)	$1,175	$ 66
(c) Other		
Non-performance fee accts		
Number of accts	2	1
Assets ($000s)	$ 30	$ 37
Performance fee accts		
Number of accts	2	-
Assets ($000s)	$295.3	$ -

Dollar amounts are in millions

POTENTIAL MATERIAL CONFLICTS OF INTEREST

As described above, the portfolio manager may manage other accounts with investment strategies similar to the Fund, including other investment companies and separately managed accounts. Fees earned by the sub-advisers may vary among these accounts and the portfolio managers may personally invest in some but not all of these accounts. In addition, certain accounts may be subject to performance-based fees. These factors could create conflicts of interest because a portfolio manager may have incentives to favor certain accounts over others, resulting in other accounts outperforming the Fund. A conflict may also exist if a portfolio manager identified a limited investment opportunity that may be appropriate for more than one account, but the Fund is not able to take full advantage of that opportunity due to the need to allocate that opportunity among multiple accounts. In addition, the portfolio manger may execute transactions for another account that may adversely impact the value of securities held by the Fund. However, the sub-advisers believe that these risks are mitigated by the fact that accounts with like investment strategies managed by a particular portfolio manager are generally managed in a similar fashion, subject to exceptions to account for particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and other factors. In addition, each sub-adviser has adopted trade allocation procedures that require equitable allocation of trade orders for a particular security among participating accounts.

ITEM 8 (a)(3). Fund Manager Compensation

Symphony investment professionals receive competitive base salaries and participate in a bonus pool which is tied directly to the firm's operating income with a disproportionate amount paid to the managers responsible for generating the alpha. The bonus paid to investment personnel is based on acumen, overall contribution and strategy performance. However, there is no fixed formula which guides bonus allocations. Bonuses are paid on an annual basis. In addition, investment professionals may participate in an equity-based compensation pool.

ITEM 8 (a)(4). OWNERSHIP OF JTA SECURITIES AS OF DECEMBER 31, 2006.

NAME OF PORTFOLIO MANAGER	NONE	$1- $10,000	$10,001- $50,000	$50,001- $100,000	$100,001- $500,000	$500,001- $1,000,000	OVER $1,000,000
Gunther Stein	X						
Lenny Mason	X						

NWQ

Item 8 (a)(1). PORTFOLIO MANAGER BIOGRAPHY:

JON D. BOSSE, CFA, Chief Investment Officer and Portfolio Manager

Jon Bosse is Chief Investment Officer of NWQ, co-president of NWQ (since June 2006) and has been a Managing Director of NWQ since 1996.

Item 8 (a)(2). Other Accounts Managed

	Jon Bosse
(a) RICs	
Number of accts	6
Assets ($000s)	$ 1,685,520
(b) Other pooled accts	
Non-performance fee accts	
Number of accts	9
Assets ($000s)	$ 1,305,694
(c) Other	
Non-performance fee accts	
Number of accts	49,880
Assets ($000s)	$28,768,533
Performance fee accts	
Number of accts	7
Assets ($000s)	$ 376,290

POTENTIAL MATERIAL CONFLICTS OF INTEREST

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented with the following potential conflicts:

- The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. NWQ seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

- If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, NWQ has adopted procedures for allocating portfolio transactions across multiple accounts.

- With respect to many of its clients' accounts, NWQ determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, NWQ may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, NWQ may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transactions, or both, to the detriment of the Fund or the other accounts.

- The Fund is subject to different regulation than other pooled investment vehicles and other accounts managed by the portfolio managers. As a consequence of this difference in regulatory requirements, the Fund may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio managers. Finally, the appearance of a conflict of interest may arise where NWQ has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

NWQ has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

ITEM 8 (a)(3). Fund Manager Compensation

NWQ's portfolio managers participate in a highly competitive compensation structure with the purpose of attracting and retaining the most talented investment professionals and rewarding them through a total compensation program as determined by the firm's executive committee. The total compensation program consists of both a base salary and an annual bonus that can be a multiple of the base salary. The portfolio manager's performance is formally evaluated annually and based on a variety of factors. Bonus compensation is primarily a function of the firm's overall annual profitability and the individual portfolio manager's contribution as measured by the overall investment performance of client portfolios in the strategy they manage relative to the strategy's general benchmark for one, three and five year periods (as applicable), as well as an objective review of stock recommendations and the quality of primary research, and subjective review of the professional's contributions to portfolio strategy, teamwork, collaboration and work ethic.

The total compensation package includes availability of equity-like incentive for purchase (whose value is determined by the increase in profitability of NWQ over time) made to most investment professionals. Additionally, the portfolio managers have been provided compensation in conjunction with signing long-term employment agreements. NWQ is a subsidiary of Nuveen Investments, Inc., which has augmented this incentive compensation annually through individual awards of a stock option pool, as determined through a collaborative process between Nuveen Investments and the NWQ executive committee.

ITEM 8 (a)(4). OWNERSHIP OF JTA SECURITIES AS OF DECEMBER 31, 2006.

NAME OF PORTFOLIO MANAGER	NONE	$1- $10,000	$10,001- $50,000	$50,001- $100,000	$100,001- $500,000	$500,001- $1,000,000	OVER $1,000,000
Jon Bosse	O						

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. Letter or number the

exhibits in the sequence indicated.

(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 because the code is posted on registrant's website at www.nuveen.com/etf and there were no amendments during the period covered by this report. (To view the code, click on the Investor Resources drop down menu box, click on Fund Governance and then Code of Conduct.)

(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 Tax-Advantaged Total Return Strategy Fund

By (Signature and Title)* /s/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date: March 9, 2007

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: March 9, 2007

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

Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: March 9, 2007

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