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NUVEEN SENIOR INCOME FUND

Form N-30D

April 01, 2003

SEMIANNUAL REPORT January 31, 2003

Nuveen  
Closed-End  
Exchange-Traded  
Funds

NUVEEN SENIOR  
INCOME FUND  
NSL

PHOTO OF: Girl and boy playing  
PHOTO OF: Man and girl using laptop

HIGH CURRENT INCOME  
FROM A PORTFOLIO OF  
SENIOR CORPORATE LOANS

Logo: NUVEEN Investments

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NUVEEN  
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- 2 Look at the address sheet that accompanied this report. Enter the personal 13-CHARACTER ENROLLMENT NUMBER imprinted near your name on the address sheet.
- 3 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen. Once there, enter your e-mail address (e.g. yourID@providerID.com), and a personal, 4-digit PIN of your choice. (Pick a number that's easy to remember.)
- 4 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 5 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 6 Use this same process if you need to change your registration information or cancel internet viewing.

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- 1 Go to WWW.NUVEEN.COM
- 2 Select the Access Account tab. Select the E-REPORT ENROLLMENT section. Click on Enrollment Page.
- 3 You'll be taken to a screen that asks for your Social Security number and e-mail address. Fill in this information, then click Enroll.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

Photo of: Timothy R. Schwertfeger  
Chairman of the Board

Sidebar text: "I URGE YOU TO CONSIDER RECEIVING FUTURE FUND REPORTS AND OTHER FUND INFORMATION BY E-MAIL AND THE INTERNET .....SEE THE INSIDE FRONT COVER OF THIS REPORT FOR STEP-BY-STEP INSTRUCTIONS."

Dear SHAREHOLDER

I am happy to report that during the period covered by this report the Nuveen Senior Income Fund performed well relative to its peer group and continued to provide attractive monthly income from a portfolio of senior corporate loans.

The past few years have been difficult ones for many who invest in the equities or loans issued by corporate America. As we have noted in past reports, your Fund has not been immune from these larger market forces. Nevertheless, we have been working through this period by taking a number of steps that we think have improved the structure of the portfolio and its ability to take advantage of the limited opportunities the market has presented. We are now beginning to see some encouraging signs that this work is starting to pay off. More detailed

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information on your Fund's management strategies and performance can be found in the Portfolio Managers' Perspective and on the Performance Overview pages within this report. Please take the time to read them.

In spite of recent market conditions, we continue to believe that an investment like your Nuveen Fund also may offer opportunities to reduce the risk of your overall investment portfolio. This is because the prices of senior loans may move differently than the prices of the common stocks, mutual funds or other investments you may own. Since one part of your portfolio may be going up when another is going down, portfolio diversification may reduce your overall risk. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

I also urge you to consider receiving future Fund reports and other Fund information by e-mail and the Internet. Not only will you be able to receive the information faster, but this also may help lower your Fund's expenses. Sign up is quick and easy - see the inside front cover of this report for step-by-step instructions.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Nuveen Fund to those seeking to accumulate and preserve wealth. Our commitment to careful research, constant surveillance and judicious trading by a seasoned portfolio management team has never been stronger. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you meet your financial objectives. We thank you for choosing us as a partner as you work toward that goal.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

March 17, 2003

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Nuveen Senior Income Fund (NSL)

### Managers' PERSPECTIVE

The Nuveen Senior Income Fund is managed by Gunther Stein, Lenny Mason and Deepak Gulrajani of Symphony Asset Management, LLC an affiliate of Nuveen Investments, LLC. This team has more than 30 years of combined investment management experience, much of it in evaluating and purchasing senior corporate loans and other high yield debt. Here the team from Symphony reviews the prevailing economic conditions and performance of NSL for the period ended January 31, 2003.

WHAT HAS BEEN THE GENERAL MARKET ENVIRONMENT FOR SENIOR CORPORATE DEBT OVER THE REPORTING PERIOD?

The Fund continued to experience the effects of the general economic slowdown that has impacted the world's capital markets for the last two years. Continued lackluster corporate capital spending, lower-than-expected corporate earnings,

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decreasing consumer confidence and increasing concerns over a war with Iraq have all affected the general market environment. In particular, the accounting scandals and the increased number of distressed securities and defaults has negatively impacted the leveraged loan market since mid 2002.

However, despite this mood of uncertainty and uneasiness, the leveraged loan market did manage a modest rebound toward the end of 2002 and into January 2003 as consumer confidence grew and investors' appetites for leverage loans strengthened. The CSFB Leveraged Loan Index, a benchmark consisting of approximately \$150 billion of tradable term loans with at least one year to maturity and rated BBB or lower, posted a 1.72% return for the month of November 2002, the highest monthly return in almost eight years.

IN THIS ENVIRONMENT, HOW DID NSL PERFORM?

For the twelve-month period ended January 31, 2003, the Nuveen Senior Income Fund produced a total return on net asset value (NAV) of 3.91%. This compares with a 1.99% total return posted by the CSFB Leverage Loan Index.

Overall, the Fund's performance has improved despite the steady decline of interest rates. This was led by the solid performance of several holdings within the aerospace, auto and leisure sectors, including Federal Mogul, Tenneco, and Fitness Holdings Worldwide. However, these results were offset to a certain degree by subpar performance of some of the Fund's holdings within the telecommunications, cable and retail sectors as companies in this part of the economy continued to wrestle with overcapacity concerns and slowing rates of growth. Specific credits with subpar performance during this period include Airgate PCS, Micro Warehouse, Century Cable, and Kmart.

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WHAT STRATEGIES DID YOU EMPLOY IN MANAGING THE FUND?

Our team continues to follow a value-oriented management strategy. We focused on finding what we judged to be high-quality loans with tangible assets to back them up. We used a discipline that began with a fundamental approach to evaluating cash flow and asset quality and then leveraged Symphony's extensive quantitative evaluation and signaling tools to evaluate specific securities. We purchased some discounted loans with what we believed was strong asset coverage. We think this will allow for future price appreciation. We also looked for loans with higher than average London Interbank Offered Rate (LIBOR) spreads. Additionally, we focused on improving the overall structure of the Fund's portfolio by attempting to eliminate positions which we thought had limited upside potential, significant downside risk or low yields.

WHAT IS YOUR STRATEGY GOING FORWARD?

Our outlook for the senior loan market is guardedly optimistic. While the foundation for a stronger economy in 2003 has been established, geo-political shocks remain a threat. Absent a long, difficult battle in Iraq and further terrorist attacks in the U.S., we feel that the economy should steadily improve throughout 2003. We generally favor the gaming, consumer products and industrial segments as asset levels remain strong and profitability is expected to stabilize.

More generally, we are optimistic about the prospects for an improvement in the underlying fundamentals of the senior loan market. If the economy continues to recover, default risks may subside and interest rates may begin to climb, which may allow leveraged companies to enjoy significant improvements in earnings power and valuations. This, in turn, may lead to an increase the NAV of the portfolio.

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Our renewed optimism for the senior loan asset class is based on three key tenets: 1) an economic recovery may lead to a decrease in default rates, 2) improved capital market conditions may provide increased liquidity and refinancings, which may help companies in the leveraged loan universe; and 3) if an economic recovery does materialize, interest rates may trend higher - a positive for the asset class as leveraged loans are floating rate instruments.

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Nuveen Senior Income Fund

Performance

OVERVIEW As of January 31, 2003

NSL

### PORTFOLIO STATISTICS

Share Price	\$7.51
Common Share Net Asset Value	\$7.27
Net Assets Applicable to Common Shares (\$000)	\$216,370

	% OF TOTAL INVESTMENTS
TOP 5 ISSUERS	
MGM Grand	3.3%
Mandalay Resort Group	2.5%
Fitness Holdings Worldwide, Inc.	2.4%
HCA, Inc.	2.4%
Dr. Pepper/Seven UP Bottling Group, Inc.	2.2%

	% OF TOTAL INVESTMENTS
TOP 5 INDUSTRIES	
Hotels, Motels, Inns & Gaming	13.0%
Beverage, Food & Tobacco	9.3%
Printing & Publishing	7.9%
Containers, Packaging & Glass	5.6%
Automotive	5.2%

AVERAGE ANNUAL TOTAL RETURN  
INCEPTION DATE 10/99

	Market	NAV
1-Year	9.32%	3.91%

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Since Inception	.58%	1.35%
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Bar Chart:

2002-2003 MONTHLY DIVIDENDS PER SHARE

2/02	0.049
3/02	0.049
4/02	0.049
5/02	0.049
6/02	0.049
7/02	0.049
8/02	0.049
9/02	0.047
10/02	0.047
11/02	0.047
12/02	0.043
1/03	0.043

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

2/1/02	7.4
	7.5
	7.3
	7.46
	7.43
	7.5
	7.42
	7.48
	7.6
	7.72
	7.58
	7.8
	7.71
	7.78
	7.81
	7.76
	7.81
	7.94
	8.01
	7.94
	7.76
	7.65
	7.36
	7.27
	7.1
	6.86
	7.15
	6.94
	6.73
	6.85
	6.9
	6.86
	6.79
	6.84
	6.78
	6.84
	6.65
	6.59
	6.4
	6.43

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	6.39
	6.38
	7.04
	7.21
	7.1
	7
	7.06
	7.1
	7.2
	7.44
	7.7
	7.51
1/31/03	7.51

Past performance is not predictive of future results.

Shareholder  
MEETING REPORT

The Shareholder Meeting was held October 23, 2002, in Chicago at Nuveen's headquarters.

-----  
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

=====	
James E. Bacon	
For	28
Withhold	
-----	
Total	28
=====	
William E. Bennett	
For	28
Withhold	
-----	
Total	28
=====	
Jack B. Evans	
For	28
Withhold	
-----	
Total	28
=====	
Thomas E. Leafstrand	
For	28
Withhold	
-----	
Total	28
=====	
Sheila W. Wellington	

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For	28
Withhold	
-----	
Total	28
=====	
William L. Kissick	
For	
Withhold	
-----	
Total	
=====	
Timothy R. Schwertfeger	
For	
Withhold	
-----	
Total	
=====	

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Nuveen Senior Income Fund (NSL)

Portfolio of  
INVESTMENTS January 31, 2003 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION	RATINGS*	
		MOODY'S	S&P
	VARIABLE RATE SENIOR LOAN INTERESTS(1) AND INTEREST BEARING SECURITIES - 157.6% (93.1% OF TOTAL ASSETS)		
	AEROSPACE/DEFENSE - 6.2% (3.7% OF TOTAL ASSETS)		
\$ 4,912	DeCrane Aircraft Holdings, Inc., Term Loan D	B2	B
4,194	United Defense Industries, Inc., Term Loan B	Ba3	BB
1,145	Vought Aircraft Industries, Inc., Term Loan A	NR	N
321	Vought Aircraft Industries, Inc., Term Loan B	NR	N
161	Vought Aircraft Industries, Inc., Term Loan C	NR	N
3,720	Vought Aircraft Industries, Inc., Term Loan X	NR	N
	AUTOMOTIVE - 8.7% (5.1% OF TOTAL ASSETS)		
1,224	Federal-Mogul Corporation, Term Loan A (b)	NR	N
5,551	Federal-Mogul Corporation, Term Loan B (b)	NR	N
3,246	Metaldyne Company/Metalync Company, LLC, Term Loan D	B1	BB
9,318	MetalForming Technologies, Inc., Term Loan B	NR	N
1,811	Tenneco Auto, Inc., Revolver Loan	B2	
4,044	Tenneco Auto, Inc., Term Loan A	B2	
	BEVERAGE, FOOD & TOBACCO - 15.6% (9.1% OF TOTAL ASSETS)		
1,995	Agrilink Foods, Inc., Term Loan B	Ba3	B
1,392	Cott Corporation, Purchase Money Term Loan	NR	B



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176	Cott Corporation, Working Capital Term Loan	NR	B
3,985	Dean Foods Company, Term Loan B	Ba2	BB
5,000	Del Monte Corporation, Term Loan B	Ba3	BB
1,000	Dr. Pepper/Seven UP Bottling Group, Inc., Term Loan A	NR	N
7,149	Dr. Pepper/Seven UP Bottling Group, Inc., Term Loan B	NR	N
1,894	Eagle Family Foods, Inc., Term Loan	B1	
3,133	Flowers Foods, Inc., Term Loan B	Ba2	BBB
1,970	Interstate Brands Corporation, Term Loan B	Ba1	BBB
3,000	Jack in the Box Inc., Term Loan B	Ba2	BB
3,142	Merisant Company, Term Loan B	Ba3	BB
-----			
BROADCASTING/CABLE - 3.8% (2.3% OF TOTAL ASSETS)			
4,000	Century Cable Holdings, LLC, Discretionary Term Loan (b)	NR	N
2,000	Century Cable Holdings, LLC, Revolver (b)	NR	N
1,640	Century Cable Holdings, LLC, Revolver (b)	NR	N
3,308	Charter Communications Operating, LLC, Incremental Term Loan	B2	
-----			
BROADCASTING/RADIO - 2.5% (1.5% OF TOTAL ASSETS)			
3,733	Citadel Broadcasting Company, Term Loan B	NR	N
1,737	Emmis Communications Corporation, Term Loan B	Ba2	B
-----			
BROADCASTING/TELEVISION - 0.9% (0.5% OF TOTAL ASSETS)			
2,000	Gray Television, Term Loan B	Ba3	B
-----			
BUILDINGS & REAL ESTATE - 3.2% (1.9% OF TOTAL ASSETS)			
3,000	D.R. Horton, Inc., Bonds, 7.500%	Ba1	B
1,995	URS Corporation, Term Loan B	Ba3	BB
1,975	Williams Scotsman, Inc., Term Loan	B1	BB

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PRINCIPAL AMOUNT (000)	DESCRIPTION	RATINGS*	
		MOODY'S	S&P
-----			
CARGO TRANSPORTATION - 3.7% (2.2% OF TOTAL ASSETS)			
\$ 8,190	North American Van Lines, Inc., Term Loan B	B1	B
-----			
CHEMICALS, PLASTICS & RUBBER - 3.8% (2.2% OF TOTAL ASSETS)			
4,942	Buckeye Technologies, Inc., Revolver Loan	NR	N
1,299	CP Kelco ApS, Inc., Term Loan B	B3	B
435	CP Kelco ApS, Inc., Term Loan C	B3	B
1,990	OM Group, Inc., Term Loan C	B2	B
-----			
CONSTRUCTION MATERIALS - 2.1% (1.2% OF TOTAL ASSETS)			

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4,478	Mueller Group, Inc., Term Loan E	B1	B
-----			
	CONTAINERS, PACKAGING & GLASS - 9.5% (5.6% OF TOTAL ASSETS)		
3,640	Graham Packaging Company, Term Loan B	B2	
3,016	Graham Packaging Company, Term Loan C	B2	
1,990	Greif Bros. Corporation, Term Loan C	Ba3	B
4,846	Smurfit-Stone Container Corporation, Term Loan B	Ba3	N
2,154	Smurfit-Stone Container Corporation, Term Loan C	Ba3	N
1,781	United States Can Company, Term Loan A	B2	
3,956	United States Can Company, Term Loan B	B2	
-----			
	DIVERSIFIED MANUFACTURING - 8.5% (5.0% OF TOTAL ASSETS)		
2,190	Blount, Inc., Term Loan B	B3	
4,049	Dayco Products, LLC, Term Loan B	Ba3	BB
5,805	Flowserve Corporation, Term Loan C	Ba3	BB
1,011	GenTek, Inc., Revolver (b)	NR	N
335	GenTek, Inc., Term Loan A (b)	NR	N
543	GenTek, Inc., Term Loan B (b)	NR	N
2,932	GenTek, Inc., Term Loan C (b)	NR	N
5,365	Western Industries Holding, Inc., Term Loan B	NR	N
-----			
	ECOLOGICAL - 0.3% (0.2% OF TOTAL ASSETS)		
630	Stericycle, Inc., Term Loan B	B1	B
-----			
	ELECTRONICS & ELECTRONIC SERVICES - 1.9% (1.1% OF TOTAL ASSETS)		
4,000	Sanmina SCI Corporation, Term Loan B	Ba1	B
-----			
	FARMING & AGRICULTURAL - 1.5% (0.9% OF TOTAL ASSETS)		
3,387	Shemin Holdings Corporation, Term Loan B	NR	N
-----			
	HEALTHCARE - 7.0% (4.1% OF TOTAL ASSETS)		
4,489	Community Health Systems, Inc., Term Loan B	NR	N
8,200	HCA, Inc., Bond, 6.910%	Ba1	BBB
1,973	Triad Hospitals, Inc., Term Loan B	Ba3	B
-----			
	HOTELS, MOTELS, INNS & GAMING - 21.6% (12.8% OF TOTAL ASSETS)		
3,970	Alliance Gaming Corporation, LLC, Term Loan	B1	BB
3,927	Ameristar Casino, Inc., Term Loan B	Ba3	BB
2,394	Argosy Gaming Company, Term Loan B	Ba2	B
4,700	Mandalay Resort Group, Bond, 6.750%	Ba3	BB
3,000	Mandalay Resort Group, Term Loan	NR	N
1,245	Mandalay Resort Group, Bond, 6.700%	Ba2	BB
1,000	MGM Grand, Bond, 6.625%	Ba1	BBB
6,933	MGM Grand, Bond, 6.950%	Ba1	BBB
3,670	MGM Grand, Bond, 7.250%	Ba1	BBB
3,359	Park Place Entertainment, Revolver	NR	BBB
2,443	Park Place Entertainment, Bond, 7.875%	Ba2	BB

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PRINCIPAL AMOUNT (000)	DESCRIPTION	RATINGS*	
		MOODY'S	S&P
HOTELS, MOTELS, INNS & GAMING (continued)			
\$ 3,393	Pinnacle Entertainment, Bond, 9.500%	Caa1	CCC
7,174	Wyndham International, Inc., Increasing Rate Loan	NR	B
1,332	Wyndham International, Inc., Term Loan B	NR	B
INSURANCE - 5.4% (3.2% OF TOTAL ASSETS)			
9,957	Conseco, Inc., Term Loan (b)	NR	N
4,775	GAB Robbins North America, Inc., Term Loan B	NR	N
LEISURE & ENTERTAINMENT - 4.1% (2.4% OF TOTAL ASSETS)			
3,118	Fitness Holdings Worldwide, Inc., Term Loan B	NR	
5,957	Fitness Holdings Worldwide, Inc., Term Loan C	NR	
MACHINERY - 1.6% (1.0% OF TOTAL ASSETS)			
2,000	Remington Arms Company, Bond, 9.500%	B3	N
1,500	Rexnord, Term Loan	B1	B
NATURAL RESOURCES/OIL & GAS - 2.9% (1.7% OF TOTAL ASSETS)			
4,189	Tesoro Petroleum Corp., Term Loan A	Ba3	B
2,572	Tesoro Petroleum Corp., Term Loan B	Ba3	B
NON-DURABLE CONSUMER PRODUCTS - 5.1% (3.0% OF TOTAL ASSETS)			
7,445	Norwood Promotional Products, Inc., Term Loan A	NR	N
5,573	Norwood Promotional Products, Inc., Term Loan B	NR	N
1,459	Norwood Promotional Products, Inc., Term Loan C	NR	N
3,980	Playtex Products, Inc., Term Loan C	Ba3	BB
PAPER & FOREST PRODUCTS - 0.2% (0.1% OF TOTAL ASSETS)			
2,131	California Pollution Control Financing Authority, CanFibre of Riverside Project, Bonds (a) (b) (d)	NR	N
1,151	California Pollution Control Financing Authority, CanFibre of Riverside Project, Bonds (a) (b) (d)	NR	N
7,000	CanFibre of Lackawana, LLC, Construction Loan (a) (b) (c) (e)	NR	N
1,200	CanFibre of Lackawana, LLC, First Stabilization Fund Letter of Credit (a) (b) (c) (e)	NR	N
10,000	CanFibre of Riverside, Inc., Equity Contribution Letter of Credit (a) (b) (c) (d)	NR	N
533	CanFibre of Riverside, Inc., Working Capital Loan (a) (b) (c) (d)	NR	N
PERSONAL & MISCELLANEOUS SERVICES - 3.8% (2.3% OF TOTAL ASSETS)			
3,560	Adams Outdoor Advertising Limited Partnership, Term Loan B	B1	B

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PRINCIPAL AMOUNT (000)	DESCRIPTION	MOODY'S	RATINGS* S&
2,000	Lamar Media Corp., Incremental Loan C	Ba2	BB
1,679	Weight Watchers International, Inc., Term Loan B	Ba1	BB
995	Weight Watchers International, Inc., Term Loan C	Ba1	BB
-----			
PRINTING & PUBLISHING - 13.2% (7.7% OF TOTAL ASSETS)			
6,835	American Media Operations, Inc., Term Loan C	Ba3	B
2,000	Bell Actimedia, Inc., Term Loan B	Ba3	BB
3,000	Bell Actimedia, Inc., Term Loan C	Ba3	BB
3,700	Dex Media East, LLC, Term Loan B	Ba3	BB
5,000	Media News Group, Term Loan	NR	N
3,739	PRIMEDIA, Inc., Term Loan B	NR	N
4,500	R.H. Donnelley, Term Loan B	Ba3	N
-----			
8			
-----			
RATINGS*			
PRINCIPAL AMOUNT (000)	DESCRIPTION	MOODY'S	S&
-----			
RESTAURANTS & FOOD SERVICE - 2.3% (1.4% OF TOTAL ASSETS)			
\$ 4,975	Dominos Pizza, Inc., Term Loan B	Ba3	BB
-----			
RETAIL/CATALOG - 1.1% (0.7% OF TOTAL ASSETS)			
4,575	Micro Warehouse, Inc., Term Loan B	NR	N
-----			
RETAIL/SPECIALTY - 1.8% (1.1% OF TOTAL ASSETS)			
3,921	Rite Aid Corporation, Term Loan A	B2	BB
-----			
RETAIL/STORES - 1.6% (0.9% OF TOTAL ASSETS)			
4,708	Kmart Corporation, Revolver (a) (b)	NR	N
1,765	SDM Corporation, Term Loan F	Ba1	BBB
-----			
TELECOMMUNICATIONS/CELLULAR/PCS - 4.9% (2.9% OF TOTAL ASSETS)			
466	Airgate PCS, Inc., Tranche I Loan	NR	N
4,694	Airgate PCS, Inc., Tranche II Loan	NR	N
9,000	Centennial Cellular Operating Company, LLC, Term Loan A	B3	N
-----			
TELECOMMUNICATIONS/COMPETITIVE LOCAL EXCHANGE CARRIER (CLEC) - 1.3% (0.8% OF TOTAL ASSETS)			
3,735	RCN Corporation, Term Loan B	Caal	CCC
5,000	WCI Capital Corporation, Term Loan B (a) (b)	NR	N
-----			
TELECOMMUNICATIONS/HYBRID - 0.8% (0.5% OF TOTAL ASSETS)			
1,950	Nextel Communications, Inc., Term Loan A	Ba3	BB
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TELECOMMUNICATIONS/WIRELESS MESSAGING - 0.6% (0.4% OF TOTAL ASSETS)			
834	Arch Wireless Holding, Inc., Senior Subordinated Secured Notes	NR	N
610	Arch Wireless Holding, Inc., Subordinated Secured Compounding Notes (a)	NR	N
-----			
TEXTILES & LEATHER - 1.2% (0.7% OF TOTAL ASSETS)			
2,632	Norcross Safety Products, LLC, Term Loan	NR	N
-----			
TRANSPORTATION/RAIL MANUFACTURING - 1.2% (0.7% OF TOTAL ASSETS)			
2,537	Kansas City Southern Railway Company, Term Loan B	Ba1	BB
-----			
UTILITIES - 3.7% (2.2% OF TOTAL ASSETS)			
2,352	AES Corporation, Term Loan C	B2	B
1,783	TNP Enterprises, Inc., Term Loan	Ba2	BB
3,993	Westar Energy, Term Loan B	NR	N
-----			
Total Variable Rate Senior Loan Interests and Interest Bearing Securities (cost \$375,406,448)			
-----			

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Nuveen Senior Income Fund (NSL) (continued)  
Portfolio of INVESTMENTS January 31, 2003 (Unaudited)

SHARES (000)	DESCRIPTION
-----	
EQUITIES - 1.9% (1.1% OF TOTAL ASSETS)	
BUILDINGS & REAL ESTATE - 1.8% (1.0% OF TOTAL ASSETS)	
224	Washington Group International, Inc., Equity Shares (a)
6	Washington Group International, Inc., Warrants, Series A (a)
4	Washington Group International, Inc., Warrants, Series B (a)
4	Washington Group International, Inc., Warrants, Series C (a)
--	Washington Group International, Inc., Residual Unsecured Claim (a)(f)
-----	
PAPER & FOREST PRODUCTS - 0.0% (0.0% OF TOTAL ASSETS)	
CanFibre of Lackawana, LLC, Income Participation Certificates, 13 units (a)(b)(c)(e)	
CanFibre of Riverside, Inc., Income Participation Certificates, 17 units (a)(b)(c)(d)	
-----	
TELECOMMUNICATIONS/COMPETITIVE LOCAL EXCHANGE CARRIER (CLEC) - 0.0% (0.0% OF TOTAL ASSETS)	
Teligent, Inc., Equity Shares, 50 Shares (a)	
-----	
TELECOMMUNICATIONS/WIRELESS MESSAGING - 0.1% (0.1% OF TOTAL ASSETS)	

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99 Arch Wireless Holding, Inc., Equity Shares (a)

-----  
 Total Equities (cost \$7,995,410)  
 -----

PRINCIPAL AMOUNT (000)	DESCRIPTION	ST MATU
	SHORT-TERM INVESTMENTS - 8.2% (4.9% OF TOTAL ASSETS)	
\$ 17,776	State Street Repurchase Agreement, 1.22%, dated 1/31/03, repurchase price \$17,776,799, collateralized by U.S. Treasury Note	02/0
	----- Total Short-Term Investments (cost \$17,776,197) ----- Total Investments (cost \$401,178,055) - 167.7% (99.1% of total assets) ----- Other Assets Less Liabilities - 1.2% ----- Borrowings Payable - (47.6)%+ ----- Taxable Auctioned Preferred Shares, at Liquidation Value - (21.3)% ----- Net Assets Applicable to Common Shares - 100% =====	

NR Not rated.

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

\*\* Senior Loans in the Fund's portfolio generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a Borrower to prepay, prepayments of Senior Loans in the Fund's portfolio may occur. As a result, the actual remaining maturity of Senior Loans held in the Fund's portfolio may be substantially less than the stated maturities shown. The Fund estimates that the actual average maturity of the Senior Loans held in its portfolio will be approximately 18-24 months.

(1) Senior Loans in which the Fund invests generally pay interest at rates which are periodically redetermined by reference to a base short-term, floating lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as the London Inter-Bank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more major United States banks, and (iii) the certificate of deposit rate. Senior loans are generally considered to be restricted in that the Fund ordinarily is contractually obligated to receive approval from the Agent Bank and/or borrower prior to the disposition of a Senior Loan.

(a) At or subsequent to January 31, 2003, this issue was non-income producing.

(b) At or subsequent to January 31, 2003, this issue was under the protection of the federal bankruptcy court.

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- (c) Position has a zero cost basis and was acquired as part of a workout program.
- (d) On January 1, 2002, CFRHoldings, Inc. (an entity formed by Nuveen for the benefit of the Nuveen Funds owning various interests in CanFibre of Riverside) took possession of the CanFibre of Riverside assets on behalf of the various Nuveen Funds. CFR Holdings, Inc. has determined that a sale of the facility is in the best interest of shareholders and is proceeding accordingly.
- (e) In September of 2002, the Erie County Acquisition Corporation, Inc. (an entity formed by Nuveen for the benefit of the Nuveen Funds owning various interests in CanFibre of Lackawanna) took possession of the CanFibre of Lackawanna assets on behalf of the various Nuveen Funds. Erie County Acquisition Corporation, Inc. had determined that a sale of the facility was in the best interest of shareholders and liquidated its remaining assets.
- (f) Anticipates future distributions from equities and warrants.
- + Borrowings payable as a percentage of total assets is 28.1%.

See accompanying notes to financial statements.

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Statement of  
ASSETS AND LIABILITIES January 31, 2003 (Unaudited)

-----	
ASSETS	
Investments, at market value (cost \$401,178,055)	\$362,7
Cash	
Receivables:	
Interest	2,4
Investments sold	6
Other assets	
-----	
Total assets	365,9
-----	
LIABILITIES	
Borrowings payable	103,0
Management fees payable	1
Taxable Auctioned Preferred share dividends payable	
Other liabilities	4
-----	
Total liabilities	103,6
-----	
Taxable Auctioned Preferred shares, at liquidation value	46,0
-----	
Net assets applicable to Common shares	\$216,3
=====	
Common shares outstanding	29,7
=====	

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

=====

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

-----

Common shares \$.01 par value per share	\$ 2
Paid-in surplus	282,6
Undistributed net investment income	4
Accumulated net realized gain (loss) from investments	(28,5
Net unrealized appreciation (depreciation) of investments	(38,4
=====	
Net assets applicable to Common shares	\$216,3

Authorized shares:

Common	Unl
Taxable Auctioned Preferred	Unl

=====

See accompanying notes to financial statements.

11

Statement of  
OPERATIONS Six Months Ended January 31, 2003 (Unaudited)

-----

INVESTMENT INCOME	
Interest	\$10,9
Fees	1
-----	
Total investment income	11,1
-----	
EXPENSES	
Management fees	1,5
Taxable Auctioned Preferred Shares - auction fees	
Taxable Auctioned Preferred Shares - dividend disbursing agent fees	
Shareholders' servicing agent fees and expenses	
Interest expense	9
Commitment fees	1
Custodian's fees and expenses	
Trustees' fees and expenses	
Professional fees	1
Shareholders' reports - printing and mailing expenses	
Stock exchange listing fees	
Investor relations expense	
Other expenses	
-----	
Total expenses before custodian fee credit and expense waivers	3,0
Custodian fee credit	
Expense waivers from the Adviser	(8
-----	
Net expenses	2,2
-----	
Net investment income	8,9
-----	



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REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS	
Net realized gain (loss) from investments	(3,4
Change in net unrealized appreciation (depreciation) of investments	
-----	
Net gain (loss) from investments	(3,4
-----	
DISTRIBUTIONS TO TAXABLE AUCTIONED PREFERRED SHAREHOLDERS	
From net investment income	(3
-----	
Net increase in net assets applicable to Common shares from operations	\$ 5,1
=====	

See accompanying notes to financial statements.

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Statement of  
 CHANGES IN NET ASSETS (Unaudited)

SI

OPERATIONS	
Net investment income	
Net realized gain (loss) from investments	
Change in net unrealized appreciation (depreciation) of investments	
Distributions to Taxable Auctioned Preferred Shareholders:	
From net investment income	
From accumulated net realized gains from investments	
-----	
Net increase (decrease) in net assets applicable to Common shares from operations	
-----	
DISTRIBUTIONS TO COMMON SHAREHOLDERS	
From net investment income	
From accumulated net realized gains from investments	
-----	
Decrease in net assets applicable to Common shares from distributions to Common shareholders	
-----	
CAPITAL SHARE TRANSACTIONS	
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	
-----	
Net increase (decrease) in net assets applicable to Common shares	
Net assets applicable to Common shares at the beginning of period	
-----	
Net assets applicable to Common shares at the end of period	
=====	
Undistributed net investment income at the end of period	
=====	

Statement of  
 CASH FLOWS Six Months Ended January 31, 2003 (Unaudited)

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### CHANGE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS

---

#### Adjustments to Reconcile the Change in Net Assets Applicable to Common Shares from Operations to Net Cash provided by Operating Activities:

Decrease in investments at value due to net dispositions and change in depreciation  
Increase in interest receivable  
Increase in receivable from investments sold  
Decrease in other assets  
Decrease in management fees payable  
Increase in Taxable Auctioned Preferred share dividends payable  
Decrease in other liabilities

---

Net cash provided by operating activities

---

#### CASH FLOWS FROM FINANCING ACTIVITIES:

Cash distributions paid to Common shareholders

---

#### NET INCREASE IN CASH

Cash at the beginning of period

---

#### CASH AT THE END OF PERIOD

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See accompanying notes to financial statements.

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#### Notes to FINANCIAL STATEMENTS (Unaudited)

##### 1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Nuveen Senior Income Fund (the "Fund") is a non-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 "NSL". The Fund was organized as a Massachusetts business trust on August 13, 1999.

The Fund seeks to provide a high level of current income by investing primarily in senior secured loans whose interest rates float or adjust periodically based on a benchmark interest rate index. The Fund seeks to increase the income available for distribution to Common shareholders by utilizing financial leverage.

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

##### Investment Valuation

The prices of senior loans, bonds and other securities in the Fund's investment portfolio are generally provided by one or more independent pricing services approved by the Fund's Board of Trustees. The pricing services typically value exchange-listed securities at the last sale price on that day; and value senior loans, bonds and other securities traded in the over-the-counter market at the mean of the highest bona fide bid and lowest bona fide ask prices when current

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quotations are readily available. The pricing services value senior loans, bonds and other securities for which current quotations are not readily available at fair value using a wide range of market data and other information and analysis, including the obligor's credit characteristics considered relevant by such pricing service to determine valuations. The Board of Trustees of the Fund has approved procedures which permit Nuveen Institutional Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), to determine the fair value of securities for which the applicable pricing service or services is not providing a price, using market data and other factors such as the obligor's credit characteristics, and to override the price provided by the independent pricing service in certain limited circumstances. Short-term investments which mature within 60 days are valued at amortized cost, which approximates market value.

The senior loans in which the Fund primarily invests are generally not listed on any exchange and the secondary market for those senior loans is comparatively illiquid relative to markets for other fixed income securities. Because of the comparatively illiquid markets for senior loans, the value of a senior loan, 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.

### Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts, is recorded on an accrual basis. Interest income also includes paydown gains and losses on mortgage and asset-backed securities. Facility fees on senior loans purchased are treated as market discounts. Market premiums and discounts are amortized over the expected life of each respective borrowing. Fees consists primarily of amendment fees. Amendment fees are earned as compensation for evaluating and accepting changes to the original credit agreement.

### Income Taxes

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

### Dividends and Distributions to Common Shareholders

The Fund intends to declare and pay monthly income distributions to Common shareholders. Net realized capital gains from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of net investment income and net realized capital gains, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income and/or distributions in excess of net realized gains from investment transactions, where applicable.

### Taxable Auctioned Preferred Shares

The Fund has issued and outstanding 1,840 Series Th \$25,000 stated value Taxable

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Auctioned Preferred shares. The dividend rate paid on the Taxable Auctioned Preferred shares may change every 28 days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period.

### Derivative Financial Instruments

The Fund may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Fund is authorized to invest in such financial instruments, and may do so in the future, it did not make any such investments during the six months ended January 31, 2003.

### 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 by the Fund 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.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 six months ended January 31, 2003, 2,197 Common shares were issued to shareholders due to reinvestment of distributions.

During the fiscal year ended July 31, 2002, 36,948 Common shares were issued to shareholders due to reinvestment of distributions.

## 3. INVESTMENT TRANSACTIONS

Purchases and sales of investments (excluding short-term investments) during the six months ended January 31, 2003, aggregated 123,272,535 and 102,660,643, respectively.

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Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

## 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 on mortgage and asset-backed securities and timing differences in recognizing certain gains and losses on security transactions.

At January 31, 2003, the cost of investments owned was \$401,270,371.

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The net unrealized depreciation of investments at January 31, 2003, aggregated \$38,519,515 of which \$1,583,752 related to appreciated securities and \$40,103,267 related to depreciated securities.

The tax components of undistributed ordinary income and net realized gains at July 31, 2002, the Fund's last fiscal year end, were as follows:

Undistributed ordinary income *	\$1,558,180
Undistributed net long-term capital gains	--

The tax character of distributions paid during the fiscal year ended July 31, 2002, the Fund's last fiscal year end, were designated for purposes of the dividends paid deduction as follows:

Distributions from ordinary income *	\$22,353,020
Distributions from net long-term capital gains	--

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

At July 31, 2002, the Fund's last fiscal year end, the Fund had an unused capital loss carryforward of \$18,283,863 available to be applied against future capital gains, if any. If not applied, the carryforward will expire in the year 2010.

The Fund has elected to defer net realized losses from investments incurred from November 1, 2001 through July 31, 2002 ("post-October losses") in accordance with Federal income tax regulations. The Fund has \$6,727,415 of post-October losses that are treated as having arisen in the following fiscal year.

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

Under the Fund's investment management agreement with the Adviser, the Fund pays an annual management fee, payable monthly, of .8500 of 1%, which is based upon the average daily managed assets of the Fund. "Managed Assets" means the average daily gross asset value of the Fund, minus the sum of the Fund's accrued and unpaid dividends on any outstanding Taxable Auctioned Preferred shares and accrued liabilities (other than the principal amount of any borrowings incurred, commercial paper or notes issued by the Fund and the liquidation preference of any outstanding Taxable Auctioned Preferred shares).

The Adviser has agreed to waive part of its management fees or reimburse certain expenses of the Fund in an amount equal to .45% of the average daily Managed Assets for the period October 29, 1999 (commencement of operations) through October 31, 2004, .35% of the average daily Managed Assets for the year ended October 31, 2005, .25% of the average daily Managed Assets for the year ended October 31, 2006, .15% of the average daily Managed Assets for the year ended October 31, 2007, .10% of the average daily Managed Assets for the year ended October 31, 2008, and .05% of the average daily Managed Assets for the year ended October 31, 2009. The Adviser has not agreed to reimburse the Fund for any portion of its fees and expenses beyond October 31, 2009.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser has entered into a Sub-Advisory Agreement with Symphony Asset Management ("Symphony"), an indirect wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), under which Symphony manages the investment portfolio of the Fund. Symphony is compensated for its 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 their officers, all of whom receive remuneration for their services to the Fund from the Adviser or its affiliates.

#### 6. COMMITMENTS

Pursuant to the terms of certain of the variable rate senior loan agreements, the Fund had unfunded loan commitments of approximately \$4.9 million as of January 31, 2003. The Fund generally 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 loan commitments.

#### 7. SENIOR LOAN PARTICIPATION COMMITMENTS

The Fund invests primarily in assignments, participations, or acts as a party to the primary lending syndicate of a variable rate senior loan interest to corporations, partnerships, and other entities. 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, but not with the borrower directly. As such, the Fund assumes the credit risk of the Borrower, Selling Participant or other persons interpositioned between the Fund and the Borrower. At January 31, 2003, the Fund held participation commitments with Bear, Stearns & Co. Inc. and Morgan Stanley. At January 31, 2003, the par values of the commitments were \$2 million and \$1.64 million, respectively, while the market values were \$1.4 million and \$1.2 million, respectively.

#### 8. BORROWINGS

In accordance with its current investment policies, the Fund may utilize financial leverage for investment purposes in an amount currently anticipated to represent approximately 40% of the Fund's total assets, and in no event exceeding 50% of the Fund's total assets.

On May 23, 2000, the Fund entered into a \$150 million commercial paper program with Nuveen Funding, LLC, a Delaware limited liability company whose sole purpose is the issuance of commercial paper. Nuveen Funding, LLC has the authority to issue a maximum of \$150 million of commercial paper, at a discount, with maturities of up to 180 days, the proceeds of which are used to make advances to the Fund. This line of credit is secured by the assets of the Fund. For the six months ended January 31, 2003, the average daily balance of borrowings under the commercial paper program agreement was \$103 million with an average interest rate of 1.75%.

The Fund has entered into a \$155 million revolving credit agreement with Deutsche Bank AG which expires May 2003. Interest on borrowings is charged at a rate of either the Fed Funds rate plus .50%, LIBOR plus .50% or the Prime Rate. An unused commitment fee of .125% is charged on the unused portion of the facility. During the six months ended January 31, 2003, there were no borrowings under the revolving credit agreement and, therefore, there was no outstanding revolving credit balance at January 31, 2003.

Cash paid for interest during the six months ended January 31, 2003, was \$944,759.

#### 9. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Fund declared a dividend distribution of \$.0430 per Common share from its net investment income which was paid on March 3, 2003, to shareholders of record on February 15, 2003.

Financial  
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

	Investment Operations					
	Beginning Common Share Net Asset Value	Net Investment Income	Realized/ Unrealized Investment Gain (Loss)	Distributions from Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+	Total
Year Ended 7/31:						
2003 (b)	\$7.38	\$ .30	\$ (.12)	\$ (.01)	\$--	\$ .17
2002	8.13	.68	(.71)	(.04)	--	(.07)
2001	9.47	1.09	(1.29)	(.09)	--	(.29)
2000 (a)	9.55	.75	(.12)	(.02)	--	.61

	Total Returns				
	Offering Costs	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**
Year Ended 7/31:					
2003 (b)	\$ --	\$7.27	\$7.5100	8.51%	2.39%
2002	--	7.38	7.2000	(21.16)	(.65)
2001	--	8.13	9.9600	15.35	(3.30)
2000 (a)	(.03)	9.47	9.6250	3.21	6.20

	Ratios/Supplemental Data					
	Before Credit/Waiver			After Credit/Waiver***		
Ending Net Assets Applicable to Common Shares (000)	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Asset Applicable to Common Shares++	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	Portfolio Turnover Rate	

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Year Ended 7/31:

2003 (b)	\$216,370	2.87%*	7.59%*	2.10%*	8.36%*	30%
2002	219,459	3.12	8.20	2.37	8.95	64
2001	241,641	4.32	11.74	3.62	12.44	52
2000 (a)	280,479	3.81*	9.82*	3.21*	10.42*	40

\* Annualized.

\*\* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common net asset value per share. Total returns are not annualized.

\*\*\* After custodian fee credit and expense waivers from the investment adviser, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Taxable Auctioned Preferred shareholders; income ratios reflect income earned on assets attributable to Taxable Auctioned Preferred shares. 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 bank borrowings as follows:

	Ratio of Interest Expense to Average Net Assets Applicable to Common Shares
	-----
2003 (b)	.85%*
2002	1.09
2001	2.19
2000 (a)	2.04*

(a) For the period October 29, 1999 (commencement of operations) through July 31, 2000.

(b) For the six months ended January 31, 2003.

See accompanying notes to financial statements.

18-19 SPREAD

Build Your Wealth  
AUTOMATICALLY

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



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### NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded 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 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

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 95% of the then-current market price or at net asset value, whichever is higher. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. 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 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.

#### FLEXIBILITY

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.

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.

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### BOARD OF TRUSTEES

James E. Bacon  
William E. Bennett  
Jack B. Evans  
William L. Kissick  
Thomas E. Leafstrand  
Timothy R. Schwertfeger  
Sheila W. Wellington

### FUND MANAGER

Nuveen Institutional  
Advisory Corp.  
333 West Wacker Drive  
Chicago, IL 60606

### FUND SUB-ADVISER

Symphony Asset  
Management, LLC  
555 California St.  
Suite 2975  
San Francisco, CA 94104

### CUSTODIAN

State Street Bank & Trust  
Boston, MA

### TRANSFER AGENT AND SHAREHOLDER SERVICES

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

### LEGAL COUNSEL

Chapman and Cutler  
Chicago, IL

### INDEPENDENT AUDITORS

KPMG LLP  
Chicago, IL

### 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 (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

**Net Asset Value (NAV):** A fund's NAV is calculated by subtracting the liabilities of 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.

-----  
The Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the six-month period ended January 31, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

Serving Investors  
FOR GENERATIONS

PHOTO OF: John Nuveen, Sr.

For over a century, generations of Americans have relied on Nuveen Investments to help them grow and keep the money they've earned. Financial advisors, investors and their families have associated Nuveen Investments with quality, expertise and dependability since 1898. That is why financial advisors have entrusted the assets of more than 1.3 million investors to Nuveen.

With the know-how that comes from a century of experience, Nuveen continues to build upon its reputation for quality. Now, financial advisors and investors can count on Nuveen Investments to help them design customized solutions that meet the far-reaching financial goals unique to family wealth strategies - solutions that can translate into legacies.

To find out more about how Nuveen Investments' products and services can help you preserve your financial security, talk with your financial advisor, or call us at (800) 257-8787 for more information, including a prospectus where applicable. Please read that information carefully before you invest.

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