NUVEEN REAL ESTATE INCOME FUND
Form N-CSR
March 06, 2014

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 811-10491

Nuveen Real Estate Income Fund
(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

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, 2013

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 SHAREHOLDERS

Closed-End Funds

Nuveen Investments

Closed-End Funds

Seeks High Current Income from a Portfolio of Commercial Real Estate Investments

Annual Report December 31, 2013

JRS

Nuveen Real Estate Income Fund

IMPORTANT DISTRIBUTION NOTICE
for Shareholders of the
Nuveen Real Estate Income Fund (JRS)

Annual Shareholder Report
for the period ending
December 31, 2013

The Nuveen Real Estate Income Fund seeks to offer attractive cash flow to its shareholders, by converting the expected long-term total return potential of the Fund's investments in REITs into regular quarterly distributions. Following is a discussion of the Managed Distribution Policy the Fund uses to achieve this.

The Fund pays quarterly common share distributions that seek to convert the Fund's expected long-term total return potential into regular cash flow. As a result, the Fund's regular common share distributions (presently $0.2250 per share) may be derived from a variety of sources, including:

- distributions from portfolio companies (REITs),
- realized capital gains or,
- possibly, returns of capital representing in certain cases unrealized capital appreciation.

Such distributions are sometimes referred to as "managed distributions." The Fund seeks to establish a distribution rate that roughly corresponds to the Adviser's projections of the total return that could reasonably be expected to be generated by the Fund over an extended period of time. The Adviser may consider many factors when making such projections, including, but not limited to, long-term historical returns for the asset classes in which the Fund invests. As portfolio and market conditions change, the distribution amount and distribution rate on the Common Shares under the Fund's Managed Distribution Policy could change.

When it pays a distribution, the Fund provides holders of its Common Shares a notice of the estimated sources of the Fund's distributions (i.e., what percentage of the distributions is estimated to constitute ordinary income, short-term capital gains, long-term capital gains, and/or a non-taxable return of capital) on a year-to-date basis. It does this by posting the notice on its website (www.nuveen.com/cef), and by sending it in written form.

You should not draw any conclusions about the Fund's investment performance from the amount of this distribution or from the terms of the Fund's Managed Distribution Policy. The Fund's actual financial performance will likely vary from month-to-month and from year-to-year, and there may be extended periods when the distribution rate will exceed the Fund's actual total returns. The Managed Distribution Policy provides that the Board may amend or terminate the Policy at any time without prior notice to Fund shareholders. There are presently no reasonably foreseeable circumstances that might cause the Fund to terminate its Managed Distribution Policy.

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Chairman's Letter

to Shareholders

Dear Shareholders,

I am pleased to have this opportunity to introduce myself to you as the new independent chairman of the Nuveen Fund Board, effective July 1, 2013. I am honored to have been selected as chairman, with its primary responsibility to serve the interests of the Nuveen Fund shareholders. My predecessor, Robert Bremner, was the first independent director to serve as chairman of the Board and I, and my fellow Board members, plan to continue his legacy of strong independent oversight of your funds.

The global economy has hit major turning points over the last several months to a year. The developed world is gradually recovering from its financial crisis while the emerging markets appear to be struggling with the downshift of China's growth potential. Japan is entering a new era of growth after decades of economic stagnation and many of the Eurozone nations appear to be exiting their recession. Despite the positive events, there are still potential risks. Middle East tensions, rising oil prices, defaults in Europe and fallout from the financial stress in emerging markets could all reverse the recent progress in the global economy.

On the domestic front, recent events such as the Federal Reserve decision to slow down its bond buying program beginning in January of 2014 and the federal budget compromise that would guide government spending into 2015 are both positives for the economy moving forward. Corporate fundamentals are strong as earnings per share and corporate cash are at the highest level in two decades. Unemployment is trending down and the housing market has experienced a rebound, each assisting the positive economic scenario. However, there are some issues to be watched. Interest rates are expected to increase but significant uncertainty about the timing remains. Partisan politics in Washington D.C. with their troublesome outcomes add to the uncertainties that could cause problems for the economy going forward.

In the near term, governments are focused on economic recovery and the growth of their economies, which could lead to an environment of attractive investment opportunities. Over the long term, the uncertainties mentioned earlier could hinder the potential growth. Because of this, Nuveen's investment management teams work hard to balance return and risk with a range of investment strategies. I encourage you to read the following commentary on the management of your fund.

On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

William J. Schneider
Chairman of the Nuveen Fund Board
February 21, 2014

Portfolio Managers'

Comments

Nuveen Real Estate Income Fund (JRS)

The Fund is managed by a team of real estate investment professionals at Security Capital Research & Management Incorporated, a wholly-owned subsidiary of JPMorgan Chase & Company. Anthony R. Manno Jr., Kenneth D. Statz and Kevin W. Bedell lead the team and have managed JRS since its inception in 2001.

Here they discuss general market conditions and trends, their management strategy and performance of the Fund over the twelve-month reporting period ended December 31, 2013.

What factors affected the U.S. economy and the equity market during the twelve-month reporting period ended December 31, 2013?

During the first part of this reporting period, widespread uncertainty about the next step for the Federal Reserve's (Fed) quantitative easing program and the potential impact on the economy and financial markets led to increased market volatility. After surprising the market in September 2013 with its decision to wait for additional evidence of an improving economy before making any adjustments to the program, the Fed announced on December 18th, that it would begin tapering its monthly bond-buying program by $10 billion (to $75 billion) in January 2014. The outlook for the U.S. economy was clouded by uncertainty about global financial markets and the outcome of the "fiscal cliff." The tax consequences of the fiscal cliff situation were averted through a last-minute deal that raised payroll taxes, but left in place a number of tax breaks. However, lawmakers failed to reach a resolution on $1.2 trillion in spending cuts intended to address the federal budget deficit. This triggered a program of automatic spending cuts (or sequestration) that impacted federal programs beginning March 1, 2013. Although Congress later passed legislation that established federal funding levels for the remainder of fiscal 2013, the federal budget for fiscal 2014 continued to be debated.

On October 1, 2013, the start date for fiscal 2014, the federal government shut down for 16 days until an interim appropriations bill was signed into law, funding the government at sequestration levels through January 15, 2014, and suspending the debt limit until February 7, 2014. At the end of the reporting period, Congress passed a federal budget deal that would guide government spending into 2015 and defuse the chances of another shutdown. In addition to the ongoing political debate over federal spending, Chairman Bernanke's June 2013 remarks about tapering the Fed's asset purchase program touched off widespread uncertainty about the next step for the Fed's quantitative easing program and about the potential impact on the economy and financial markets, leading to increased market volatility.

In the third quarter of 2013, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 4.1%, up from 2.5% for the second quarter of 2013, continuing the pattern of positive economic growth for the tenth consecutive quarter. The Consumer Price Index (CPI) rose 1.5% year-over-year as of December 2013, while the core CPI (which excludes food and energy) increased 1.7% during the same period, staying within the Fed's unofficial objective of 2.0% or lower for this inflation measure. Improvements in the labor markets continued to be slow, and

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual

investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Fund disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service (Moody's), Inc. or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Portfolio Managers' Comments (continued)

unemployment remained above the Fed's target of 6.5%. As of December 2013, the national unemployment rate was 6.7%, down from 7.0% in November 2013. The housing market continued to deliver good news, as the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 13.7% for the twelve months ended November 2013 (most recent data available at the time this report was prepared), the largest twelve-month percentage gain for the index since February 2006.

For much of the reporting period, low interest rates and a fairly benign macro environment caused U.S. investors to move out the risk spectrum, resulting in robust flows into U.S. equity funds. Leading U.S. stock market indexes, including the S&P 500® Index, the Dow Jones Industrial Average and the Russell 2000® Index, each hit all-time highs during the reporting period. The S&P 500® Index gained 32.39% and the Dow Jones Industrial Average gained 29.65% during the reporting period.

Real Estate Investment Trust (REIT) common equities generated modestly positive returns during the reporting period in the context of otherwise buoyant U.S. equity markets and elevated volatile long-term interest rates as investors pondered the Fed's timing and strategy for tapering and withdrawing stimulus in an improving economy. Interest rate trends were evident as well in the negative returns generated by REIT senior fixed income securities, particularly the perpetual preferred securities, which are burdened by their extended duration profile.

What key strategies were used to manage the Fund during this twelve-month reporting period ended December 31, 2013?

The Fund is designed to invest at least 90% of its assets in income producing common stocks, preferred stocks, convertible preferred stocks and debt securities issued by real estate companies, with at least 80% of its total assets invested in income producing equity securities issued by REITs.

In managing the portfolio, Security Capital seeks to maintain significant property type and geographic diversification while taking into account company credit quality, sector and security-type allocations. Investment decisions are based on a multi-layered analysis of the company, the real estate it owns, its management and the relative price of the security, with a focus on securities that we believe will be best positioned to generate sustainable income and potential price appreciation over the long run. In addition to fundamental security research, the proportion of the Fund invested in common equity versus preferred, fixed income and cash investments is a key tactic we use to manage risk at a portfolio level. In general, in times of strong economic growth we tilt the Fund's portfolio towards more ownership of equity. In highly uncertain times, we tend to favor more allocation toward senior securities. The allocation for the Fund's portfolio between equity, preferred, debt and cash investments as of December 31, 2013 was in-line with the long-term "normal" allocation for managing this portfolio and reflects our strategy of balancing growth and safety in an economy experiencing a slow but uneven recovery.

How did the Fund perform during this twelve-month reporting period ended December 31, 2013?

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year, five-year and ten-year periods ended December 31, 2013. For the twelve-month reporting period ended December 31, 2013, the total return on common share net asset value (NAV) for the Fund outperformed its JRS Blended Benchmark, but underperformed the Wilshire U.S. Select Real Estate Securities Index (RESI).

For common equity investors during the reporting period, there were distinctive performance differences by property-type with the underlying themes and influences reflecting company-specific factors, earlier performance differentials as well as shifting investor expectations colored by macro-economic trends. In general, there was a discernible risk-on sentiment to underlying performance trends in 2013, almost irrespective of property-type, reflecting improving economic trends and, importantly, a continuation of highly accommodating debt markets, even as interest rates increased during the reporting period.

In general, the performance leaders by major property-type during the reporting period were the hotel, self-storage and office companies. For the hotel companies, economically sensitive operations continued to respond very favorably to a combination of healthy corporate and leisure travel patterns and the generally low-level of new supply. The self-storage companies continued to exhibit strong and durable property operations driven, in part, by housing market trends, a dearth of new supply as well as expense-saving marketing technology. Finally, office property operations have been challenged by generally weak user demand driven by cost sensitive business tenants and efficiency gains in office space use.

In general, the relative underperformers by major property-type during the reporting period were the health care, apartment and regional mall companies. For the health care companies, the jump in interest rates and associated weakness in REIT stock prices is viewed as a dampening factor, as large-cap, diversified health care owners continue to consolidate asset ownership within the industry. In addition, investors are watching increasing levels of new construction in seniors housing and a large segment of health care REIT asset holdings are comprised of long-term net lease investments viewed by investors as having less elasticity to any change in inflation levels. Apartment companies are driving impressive revenue growth with a confluence of factors including a strong propensity to rent versus own, low levels of new housing construction and a large demographic vein of prime renters among 20-30 year olds. But investors are wary of asset and company valuations in the context of several factors, including rebounding levels of new apartment construction and perceived headwinds from a recovering single family market with, in many cases, attractive affordability. Finally, regional mall companies continue to demonstrate resilient operations, including strong sales productivity, healthy rent spreads and a near bankruptcy-free retailer universe. Investors also see hopeful signs for consumers in a recovering housing market. However, a pronounced deceleration in sales growth at malls over the last several quarters in conjunction with renewed worries on the health of mall anchors Sears and JCPenney and escalating competition from the internet have investors cautious on implications for future rent growth.

For the Fund specifically, JRS benefited from its selection and allocation to perpetual preferred and debt securities during the reporting period. The timing of the Fund's allocation to common equity also contributed positively to performance. In particular, the Fund benefited from its selection of regional mall and industrial equity investments during the reporting period. The Fund's selection of office, hotels and strip center equity investments constrained benchmark relative performance during the reporting period.

Fund

Leverage

IMPACT OF THE FUND'S LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the return of the Fund relative to its benchmarks was the Fund's use of leverage through the use of bank borrowings. The Fund uses leverage because our research has shown that, over time, leveraging provides opportunities for additional income and total return for shareholders. However, use of leverage also can expose shareholders to additional volatility. For example, as the prices of securities held by the Fund decline, the negative impact of these valuation changes on common share NAV and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by the Fund generally are rising. The Fund's use of leverage had a positive impact on performance during this reporting period.

The Fund also continued to use swap contracts to partially fix the interest cost of leverage, which as mentioned previously, the Fund uses through bank borrowings. The swap contracts impact on performance was slightly positive during this reporting period.

As of December 31, 2013, the Fund's percentages of leverage are as shown in the accompanying table.

	JRS
Effective Leverage*	30.96%
Regulatory Leverage*	30.96%

* Effective leverage is the Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of the Fund. Both of these are part of the Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

THE FUND'S REGULATORY LEVERAGE

Bank Borrowings

The Fund employs regulatory leverage through the use of bank borrowings. As of December 31, 2013, the Fund had outstanding bank borrowings of $123,500,000.

Refer to Notes to Financial Statements, Note 8 Borrowing Arrangements for further details.

Common Share

Information

DISTRIBUTION INFORMATION

The following information regarding the Fund's distributions is current as of December 31, 2013. The Fund's distribution levels may 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 this program is to provide common shareholders with relatively consistent and predictable cash flow by systematically converting the Fund's expected long-term return potential into regular distributions. As a result, regular common share distributions throughout the year are likely to 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 common share 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 common share 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 distribution is 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, the shortfall 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 during the year based on the Fund's performance and forecast for its current fiscal year (which is the calendar year for the Fund), estimates on the nature of your distributions provided at the time the distributions are paid may differ from both the tax information reported to you in your Fund's IRS Form 1099 statement provided at year end, as well as the ultimate economic sources of distributions over the life of your investment.

Common Share Information (continued)

The following table provides information regarding the Fund's common share distributions and total return performance for the fiscal year ended December 31, 2013. This information is intended to help you better understand whether the Fund's returns for the specified time period were sufficient to meet its distributions.

As of December 31, 2013 (Common Shares)		JRS
Inception date		11/15/01
Fiscal year (calendar year) ended December 31, 2013:		
Per share distribution:		
From net investment income	$	0.95
From long-term capital gains		0.00
From short-term capital gains		0.00
Return of capital		0.00
Total per share distribution	$	0.95
Distribution rate on NAV		9.94%
Current distribution rate*		9.45%
Average annual total returns:		
Excluding retained gain tax credit/refund**:		
1-Year on NAV		(0.25)%
5-Year on NAV		20.10%
10-Year on NAV		3.39%
Including retained gain tax credit/refund**:		
1-Year on NAV		(0.25)%
5-Year on NAV		20.10%
10-Year on NAV		4.28%

* Current distribution rate is based on the Fund's current annualized quarterly distribution divided by the Fund's current market price. The Fund's quarterly distributions to its shareholders may be comprised of ordinary income, net realized capital gains and, if at the end of the fiscal year the Fund's cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a return of capital for tax purposes.

** The Fund elected to retain a portion of its realized long-term capital gains for the tax years ended December 31, 2007 and December 31, 2006, and pay required federal corporate income taxes on these amounts. As reported on Form 2439, common shareholders on record date must include their pro-rata share of these gains on their applicable federal tax returns, and are entitled to take offsetting tax credits, for their pro-rata share of the taxes paid by the Fund. The total returns "Including retained gain tax credit/refund" include the economic benefit to common shareholders on record date of these tax credits/refunds. The Fund had no retained capital gains for the tax years ended December 31, 2008 through December 31, 2013 or for the tax years ended prior to December 31, 2006.

COMMON SHARE EQUITY SHELF PROGRAM

During the current reporting period, the Fund filed a preliminary prospectus with the Securities and Exchange Commission (SEC) for an equity shelf offering, which is not yet effective, pursuant to which the Fund may issue an additional 7.1 million common shares.

Refer to Notes to Financial Statements, Note 1 General Information and Significant Accounting Policies, Equity Shelf Program and Offering Costs for further details.

COMMON SHARE REPURCHASES

During November 2013, the Nuveen Funds' Board of Directors/Trustees reauthorized the Fund's open-market share repurchase program, allowing the Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

Since the inception of the Fund's repurchase program, the Fund has not repurchased any of its outstanding shares.

	JRS
Common Shares Cumulatively Repurchased and Retired	
Common Shares Authorized for Repurchase	2,880,000

OTHER COMMON SHARE INFORMATION

As of December 31, 2013, and during the current reporting period, the Fund's common share price was trading at a premium/(discount) to its common share NAV as shown in the accompanying table.

	JRS
Common Share NAV	$ 9.56
Common Share Price	$ 9.52
Premium/(Discount) to NAV	(0.42)%
12-Month Average Premium/(Discount) to NAV	7.44%

Risk

Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment, Market and Price Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Fund, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like the Fund frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. The Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price and distributions. Leverage risk can be introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in the Fund's portfolio. Leverage typically magnifies the total return of the Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that the Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations. This is particularly true for funds employing a managed distribution program.

Real Estate Risks. The Fund's performance is linked to the performance of the commercial real estate markets, which may fall due to increasing vacancies, declining rents or the failure of borrowers to pay their loans.

Common Stock Risk. Common stock returns often have experienced significant volatility.

Issuer Credit Risk. This is the risk that a security in the Fund's portfolio will fail to make dividend or interest payments when due.

Dividend Income Risk. There is no guarantee that the issuers of common stocks in which the Fund invests will declare dividends in the future or that, if declared, they will remain at current levels or increase over time.

Preferred Stock Risk. Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk.

Derivatives Strategy Risk. Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying investments.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Interest Rate Swaps Risk. The risk that yields will move in the direction opposite to the direction anticipated by a Fund, which would cause a Fund to make payments to its counterparty in the transaction that could adversely affect the Fund's performance.

Reinvestment Risk. If market interest rates decline, income earned from the Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

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JRS

Nuveen Real Estate Income Fund

Performance Overview and Holding Summaries as of December 31, 2013

Average Annual Total Returns as of December 31, 2013

	Average Annual		
	1-Year	**5-Year**	**10-Year**
JRS at Common Share NAV	(0.25)%	20.10%	3.39%
JRS at Common Share Price	(0.88)%	25.84%	3.72%
Wilshire U.S. Select Real Estate Securities Index (RESI)	2.15%	16.81%	8.41%
JRS Blended Benchmark	(0.77)%	18.97%	N/A
S&P 500® Index	32.39%	17.94%	7.41%

Average Annual Total Returns as of December 31, 2013[1] (including retained gain tax credit/refund)

	Average Annual		
	1-Year	**5-Year**	**10-Year**
JRS at Common Share NAV	(0.25)%	20.10%	4.28%
JRS at Common Share Price	(0.88)%	25.84%	4.59%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Common Share Price Performance Weekly Closing Price

Portfolio Composition[2,3]

(as a % of total investments)

Retail	32.7%
Specialized	25.0%
Office	15.4%
Residential	11.7%
Diversified	9.1%
Short-Term Investments	0.6%
Other	5.5%

Portfolio Allocation[2,3]

(as a % of total investments)

Real Estate Investment Trust Common Stock	60.2%
Real Estate Investment Trust Preferred Stocks	36.9%
Convertible Preferred Securities	2.3%
Short-Term Investments	0.6%

Top Five Common Stock Issuers[2,3]

(as a % of total investments)

Simon Property Group, Inc.	6.8%
Equity Residential	4.1%
Prologis, Inc.	4.1%
Health Care Property Investors, Inc.	3.1%
Avalonbay Communities Inc.	2.8%

Top Five Preferred Stock Issuers[2,3]

(as a % of total investments)

CBL & Associates Properties, Inc.	4.1%
Public Storage, Inc.	3.9%
Highwoods Properties, Inc.	3.6%
Vornado Realty Trust	3.6%
Strategic Hotel Capital Inc.	2.6%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this page.

1 As previously explained in the Common Share Information section of this report, the Fund elected to retain a portion of its realized long-term capital gains for the tax years ended December 31, 2007 and December 31, 2006, and pay required federal corporate income taxes on these amounts. These standardized total returns include the economic benefit to common shareholders of record of this tax credit/refund. The Fund had no retained capital gains for the tax years ended December 31, 2008 through December 31, 2013 or for the tax years ended prior to December 31, 2006.

2 Holdings are subject to change.

3 Excluding investments in derivatives.

Report of

Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders
Nuveen Real Estate Income Fund

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Nuveen Real Estate Income Fund (the "Fund") as of December 31, 2013, 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 each of the five years in the period then ended. 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 audits.

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, 2013, by correspondence with the custodian and counterparties. 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 Real Estate Income Fund at December 31, 2013, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois
February 27, 2014

JRS

Nuveen Real Estate Income Fund

Portfolio of Investments December 31, 2013

Shares	Description (1)	Value
	LONG-TERM INVESTMENTS 142.6% (99.4 of Total Investments)	
	REAL ESTATE INVESTMENT TRUST COMMON STOCKS 86.3% (60.2% of Total Investments)	
	Diversified 5.4% (3.8% of Total Investments)	
189,550	Duke Realty Corporation	$ 2,850,832
44,000	Liberty Property Trust	1,490,280
119,110	Vornado Realty Trust	10,575,777
	Total Diversified	14,916,889
	Hotels, Restaurants & Leisure 0.1% (0.1% of Total Investments)	
15,250	Hilton Worldwide Holdings Inc., (2)	339,313
	Industrial 5.9% (4.1% of Total Investments)	
439,297	Prologis Inc.	16,232,024
	Office 10.0% (7.0% of Total Investments)	
60,750	Alexandria Real Estate Equities Inc.	3,864,915
337,240	BioMed Realty Trust Inc.	6,110,789
64,750	Boston Properties, Inc.	6,498,958
200,300	Douglas Emmett Inc.	4,664,987
37,750	Kilroy Realty Corporation	1,894,295
49,200	SL Green Realty Corporation	4,545,096
	Total Office	27,579,040
	Real Estate Managment & Devlopment 1.0% (0.7% of Total Investments)	
133,550	Brookfield Properties Corporation	2,570,838
	Residential 16.1% (11.2% of Total Investments)	
348,520	Apartment Investment & Management Company, Class A	9,030,153
92,888	AvalonBay Communities, Inc.	10,982,148
313,370	Equity Residential	16,254,502
20,750	Essex Property Trust Inc.	2,977,833
217,130	UDR Inc.	5,069,986
	Total Residential	44,314,622
	Retail 24.3% (16.9% of Total Investments)	
16,850	Brixmor Property Group Inc.	342,561
331,900	Developers Diversified Realty Corporation	5,101,303
346,549	General Growth Properties Inc.	6,955,238
368,300	Kimco Realty Corporation	7,273,925
153,077	Macerich Company	9,014,705
83,860	Regency Centers Corporation	3,882,718
175,899	Simon Property Group, Inc.	26,764,792
72,550	Taubman Centers Inc.	4,637,396
109,800	Weingarten Realty Trust	3,010,716
	Total Retail	66,983,354
	Specialized 23.5% (16.4% of Total Investments)	

190,850	CubeSmart	3,042,149
55,050	Extra Space Storage Inc.	2,319,257
339,510	Health Care Property Investors Inc.	12,331,003
106,920	Health Care REIT, Inc.	5,727,704
109,000	Hospitality Properties Trust	2,521,170
521,975	Host Hotels & Resorts Inc.	10,147,194

JRS Nuveen Real Estate Income Fund (continued)
Portfolio of Investments December 31, 2013

Shares	Description (1)	Value
	Specialized (continued)	
71,387	Public Storage, Inc., (3)	$ 10,745,171
215,350	RLJ Lodging Trust	5,237,310
327,150	Sunstone Hotel Investors Inc.	4,383,810
142,940	Ventas Inc.	8,187,602
	Total Specialized	64,642,370
	Total Real Estate Investment Trusts Common Stocks (cost $181,324,499)	237,578,450

Shares	Description (1)	Coupon	Ratings (4)	Value
	CONVERTIBLE PREFERRED SECURITIES 3.2% (2.3% of Total Investments)			
	Office 2.5% (1.8% of Total Investments)			
340,306	CommonWealth REIT	6.500%	Ba1	$ 6,979,676
	Specialized 0.7% (0.5% of Total Investments)			
41,000	Health Care REIT	6.500%	Baa3	2,101,660
	Total Convertible Preferred Securities (cost $8,826,619)			9,081,336
Shares	**Description (1)**	**Coupon**	**Ratings (4)**	**Value**
	REAL ESTATE INVESTMENT TRUST PREFERRED STOCKS 53.1% (36.9% of Total Investments)			
	Diversified 7.6% (5.3% of Total Investments)			
156,000	Duke Realty Corporation, Series K	6.500%	Baa3	$ 3,549,000
135,100	PS Business Parks, Inc.	6.450%	Baa2	2,951,935
14,650	PS Business Parks, Inc.	6.000%	Baa2	295,930
267,014	Vornado Realty Trust	6.875%	BBB	6,424,357
134,500	Vornado Realty Trust	6.625%	BBB	3,086,775
134,000	Vornado Realty Trust	5.700%	BBB	2,647,840
103,000	Vornado Realty Trust	5.400%	BBB	1,931,250
	Total Diversified			20,887,087
	Industrial 1.0% (0.7% of Total Investments)			
114,700	Terreno Realty Corporation	7.750%	N/R	2,810,150
	Office 9.5% (6.6% of Total Investments)			

40,000	Brandywine Realty Trust, Series D	6.900%	Ba1	920,000
144,550	CommomWealth REIT	7.250%	Ba1	3,151,190
12,359	Highwoods Properties, Inc., Series A, (8)	8.625%	Baa3	14,093,122
303,000	Hudson Pacific Properties Inc.	8.375%	N/R	7,941,630
	Total Office			26,105,942
	Residential 0.7% (0.5% of Total Investments)			
75,000	Campus Crest Communities	8.000%	Ba1	1,852,500
	Retail 22.7% (15.8% of Total Investments)			
681,000	CBL & Associates Properties Inc.	7.375%	BB	16,173,750
26,750	DDR Corporation	6.500%	Baa3	583,150
449,650	General Growth Properties	6.375%	B	9,060,448
50,964	Glimcher Realty Trust, Series G	8.125%	B1	1,275,629
95,000	Glimcher Realty Trust	6.875%	B1	2,052,000
158,000	Inland Real Estate Corporation	8.125%	N/R	4,036,900
29,000	Kimco Realty Corporation	6.900%	Baa2	690,490
239,200	Kimco Realty Corporation	6.000%	Baa2	4,992,104
175,000	Regency Centers Corporation	6.625%	Baa3	3,797,500
61,120	Saul Centers, Inc.	8.000%	N/R	1,573,840
144,000	Saul Centers, Inc.	6.875%	N/R	3,193,920
374,200	Taubman Centers Incorporated, Series K	6.250%	N/R	7,427,870
86,350	Taubman Centers Incorporated, Series J	6.500%	N/R	1,797,807

Shares	Description (1)	Coupon	Ratings (4)	Value
	Retail (continued)			
30,700	Urstadt Biddle Properties	7.125%	N/R	$ 707,021
38,000	Weingarten Realty Trust	8.100%	BBB	789,260
185,702	Weingarten Realty Trust	6.500%	Baa3	4,202,436
	Total Retail			62,354,125
	Specialized 11.6% (8.0% of Total Investments)			
240,000	Health Care REIT, Inc.	6.500%	Baa3	5,460,000
50,000	Public Storage, Inc., Series P	6.500%	A	1,188,000
328,150	Public Storage, Inc., Series R	6.350%	A	7,662,303
217,000	Public Storage, Inc., Series S	5.900%		4,687,200
47,000	Public Storage, Inc., Series X	5.200%	A3	886,890
50,000	Public Storage, Inc., Series W	5.200%	A	942,500
139,400	Strategic Hotel Capital Inc., Series B	8.250%	N/R	3,307,962
292,950	Strategic Hotel Capital Inc., Series C	8.250%	N/R	6,951,703
40,000	Ventas Realty LP	5.450%	BBB+	853,600
	Total Specialized			31,940,158
	Total Real Estate Investment Trust Preferred Stocks (cost $155,922,221)			145,949,962
	Total Long-Term Investments (cost $346,073,339)			**392,609,748**

Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	SHORT-TERM INVESTMENTS 0.9% (0.6% of Total Investments)			
$ 2,525	Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/31/13, repurchase price $2,524,784, collateralized by $2,640,000 U.S. Treasury Notes, 2.000%, due 11/30/20, value $2,577,300	0.000%	1/02/14	$ 2,524,784

Total Short-Term Investments (cost $2,524,784)		**2,524,784**
Total Investments (cost $348,598,123)	**143.5%**	**395,134,532**
Borrowings	**(44.8)% (5), (6)**	**(123,500,000)**
Other Assets Less Liabilities	**1.3% (7)**	**3,811,263**
Net Assets Applicable to Common Shares	**100%**	**$ 275,445,795**

JRS Nuveen Real Estate Income Fund (continued)
Portfolio of Investments December 31, 2013

Investments in Derivatives as of December 31, 2013

Interest Rate Swaps Outstanding:

Counterparty	Notional Amount	Fund Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency	Effective Date (9)	Termination Date	Unrealized Appreciation (Depreciation) (7)
JPMorgan	$ 20,727,500	Receive	1-Month USD-LIBOR	1.412%	Monthly	3/29/11	3/29/14	$ (65,476)
JPMorgan	35,761,000	Receive	1-Month USD-LIBOR	1.255	Monthly	12/01/14	12/01/18	1,071,656
JPMorgan	35,761,000	Receive	1-Month USD-LIBOR	1.673	Monthly	12/01/14	12/01/20	2,140,096
Morgan Stanley	20,727,500	Receive	1-Month USD-LIBOR	2.323	Monthly	3/29/11	3/29/16	(855,936)
	$112,977,000							$ 2,290,340

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

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

(2) Non-income producing; issuer has not declared a dividend within the past twelve months.

(3) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.

(4) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(5) Borrowings as a percentage of Total Investments is 31.3%.

(6) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of the end of the reporting period investments with a value of $259,037,446 have been pledged as collateral for Borrowings.

(7) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives as of the end of the reporting period.

(8) For fair value measurement disclosure purposes, Real Estate Investment Trust Preferred Stocks categorized as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value

Measurements for more Information.

(9) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each contract.

USD-LIBOR United States Dollar London Inter-Bank Offered Rate.

See accompanying notes to financial statements.

Statement of

Assets and Liabilities December 31, 2013

Assets	
Long-term investments, at value (cost $346,073,339)	$ 392,609,748
Short-term investments, at value (cost approximates value)	2,524,784
Unrealized appreciation on interest rate swaps, net	3,146,276
Dividends receivable	1,952,174
Other assets	67,531
Total assets	400,300,513
Liabilities	
Borrowings	123,500,000
Unrealized depreciation on interest rate swaps	855,936
Accrued expenses:	
Management fees	296,071
Interest on borrowings	7,450
Trustees fees	67,289
Other	127,972
Total liabilities	124,854,718
Net assets applicable to common shares	$ 275,445,795
Common shares outstanding	28,817,600
Net asset value per common share outstanding (net assets applicable to common shares, divided by common shares outstanding)	$ 9.56
Net assets applicable to common shares consist of:	
Common shares, $.01 par value per share	$ 288,176
Paid-in surplus	372,645,491
Undistributed (Over-distribution of) net investment income	(63,236)
Accumulated net realized gain (loss)	(146,251,385)
Net unrealized appreciation (depreciation)	48,826,749
Net assets applicable to common shares	$ 275,445,795
Authorized shares:	
Common	Unlimited
Preferred	Unlimited

See accompanying notes to financial statements.

Statement of

Operations Year Ended December 31, 2013

Investment Income	
Dividends (net of dividend tax withheld of $2,727)	$ 15,256,938
Interest	83,365
Other	10,806
Total investment income	15,351,109
Expenses	
Management fees	3,767,109
Shareholder servicing agent fees and expenses	2,684
Interest expense on borrowings	1,500,904
Custodian fees and expenses	74,481
Trustees fees and expenses	11,128
Professional fees	45,379
Shareholder reporting expenses	98,584
Stock exchange listing fees	4,065
Investor relations expense	88,332
Other expenses	16,321
Total expenses	5,608,987
Net investment income (loss)	9,742,122
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments and foreign currency	22,400,496
Swaps	(694,120)
Change in net unrealized appreciation (depreciation) of:	
Investments and foreign currency	(34,707,706)
Swaps	3,577,963
Net realized and unrealized gain (loss)	(9,423,367)
Net increase (decrease) in net assets applicable to common shares from operations	$ 318,755

See accompanying notes to financial statements.

Statement of

Changes in Net Assets

	Year Ended 12/31/13	Year Ended 12/31/12
Operations		
Net investment income (loss)	$ 9,742,122	$ 10,669,544
Net realized gain (loss) from:		
Investments and foreign currency	22,400,496	17,391,495
Swaps	(694,120)	(683,425)
Change in net unrealized appreciation (depreciation) of:		
Investments and foreign currency	(34,707,706)	23,061,596
Swaps	3,577,963	334,194
Net increase (decrease) in net assets applicable to common shares from operations	318,755	50,773,404
Distributions to Common Shareholders		
From net investment income	(27,195,724)	(26,384,143)
Increase (decrease) in net assets applicable to common shares from distributions to common shareholders	(27,195,724)	(26,384,143)
Capital Share Transactions		
Net proceeds from shares issued to shareholders due to reinvestment of distributions	1,116,081	1,067,308
Net increase (decrease) in net assets applicable to common shares from capital share transactions	1,116,081	1,067,308
Net increase (decrease) in net assets applicable to common shares	(25,760,888)	25,456,569
Net assets applicable to common shares at the beginning of period	301,206,683	275,750,114
Net assets applicable to common shares at the end of period	$275,445,795	$301,206,683
Undistributed (Over-distribution of) net investment income at the end of period	$ (63,236)	$ (73,474)

See accompanying notes to financial statements.

Statement of

Cash Flows Year Ended December 31, 2013

Cash Flows from Operating Activities:		
Net Increase (Decrease) In Net Assets Applicable to Common Shares from Operations	$	318,755
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		(364,926,679)
Proceeds from sales and maturities of investments		363,751,723
Proceeds from (Purchases of) short-term investments, net		13,411,312
Proceeds from (Payments for) swap contracts, net		(694,120)
Amortization (Accretion) of premiums and discounts, net		(4,496)
(Increase) Decrease in:		
Receivable for dividends		(280,294)
Receivable for interest		46,253
Other assets		(3,464)
Increase (Decrease) in:		
Payable for investments purchased		(801,000)
Accrued management fees		(13,778)
Accrued interest on borrowings		(9,355)
Accrued Trustees fees		3,163
Accrued other expenses		(11,516)
Net realized (gain) loss from:		
Investments and foreign currency		(22,400,496)
Swaps		694,120
Change in net unrealized (appreciation) depreciation of:		
Investments and foreign currency		34,707,706
Swaps		(3,577,963)
Capital gain and return of capital distributions from investments		5,369,772
Net cash provided by (used in) operating activities		25,579,643
Cash Flows from Financing Activities:		
Proceeds from borrowings		14,500,000
Repayments of borrowings		(14,000,000)
Cash distributions paid to common shareholders		(26,079,643)
Net cash provided by (used in) financing activities		(25,579,643)
Net Increase (Decrease) in Cash		
Cash at the beginning period		
Cash at the end of period	$	
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest on borrowings (excluding borrowing costs)	$	1,510,259
Non-cash financing activities not included herein consists of reinvestments of common share distributions		1,116,081

See accompanying notes to financial statements.

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Financial

Highlights

Selected data for a common share outstanding throughout each period:

	Beginning Common Share Net Asset Value	Investment Operations: Net Investment Income (Loss)(a)	Net Realized/ Unrealized Gain (Loss)	Distributions from Net Investment Income to Taxable Auctioned Preferred Share-holders(b)	Distributions from Accumu-lated Net Realized Gains to Taxable Auctioned Preferred Share-holders(b)	Total	Less Distributions: From Net Investment Income to Common Share-holders	From Accum-ulated Net Realized Gains to Common Share-holders	Return of Capital to Common Share-holders	Total
Year Ended 12/31:										
2013	$ 10.49	$ .34	$ (.32)	$	$	$ 0.02	$ (.95)	$	$	$ (.95)
2012	9.64	.37	1.40			1.77	(.92)			(.92)
2011	9.79	.30	.46			.76	(.91)			(.91)
2010	8.10	.28	2.29			2.57	(.88)			(.88)
2009	6.46	.42	2.15	*		2.57	(.41)		(.52)	(.93)

	Borrowings at End of Period: Aggregate Amount Outstanding (000)	Asset Coverage Per $1,000
Year Ended 12/31:		
2013	$ 123,500	$ 3,230
2012	123,000	3,449
2011	111,000	3,484
2010	64,710	5,313
2009	64,710	4,559

			Total Returns			Ratios/Supplemental Data				
						Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(d)		Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(d)(e)		
	Ending Common Share Net Asset Value	Ending Market Value	Based on Common Share Net Asset Value(c)	Based on Market Value(c)	Ending Net Assets Applicable to Common Shares (000)	Expenses	Net Investment Income (Loss)	Expenses	Net Investment Income (Loss)	Portfolio Turnover Rate(f)
Year Ended 12/31:										
2013	$ 9.56	$ 9.52	(.25)%	(.88)%	$ 275,446	1.83%	3.18%	N/A	N/A	88%
2012	10.49	10.48	18.63	9.25	301,207	1.90	3.56	N/A	N/A	54
2011	9.64	10.44	8.18	13.11	275,750	1.74	2.95	1.65%	3.04%	49
2010	9.79	10.11	32.98	37.51	279,071	1.60	2.95	1.48	3.07	58
2009	8.10	8.08	46.80	87.05	230,325	1.66	6.61	1.47	6.79	74

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) The amounts shown are based on common share equivalents.

(c) Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based 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. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

(d) • Ratios do not reflect the effect of dividend payments to Taxable Auctioned Preferred shareholders, where applicable.

• Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Taxable Auctioned Preferred shares and/or borrowings, where applicable.

• Each ratio includes the effect of all interest expense paid and other costs related to borrowings as follows:

	Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares
Year Ended 12/31:	
2013	.49%
2012	.56
2011	.42
2010	.35
2009	.41

(e) After expense reimbursement from the Adviser, where applicable. As of November 30, 2011, the Adviser is no longer reimbursing the Fund for any fees or expenses.

(f) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.

N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

* Rounds to less than $.01 per share.

See accompanying notes to financial statements.

Notes to

Financial Statements

1. General Information and Significant Accounting Policies

General Information

Fund Information

Nuveen Real Estate Income Fund (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified closed-end registered investment company. The Fund's common shares are listed on the NYSE MKT and trade under the ticker symbol "JRS." The Fund was organized as a Massachusetts business trust on August 27, 2001.

Investment Adviser

The Fund's investment adviser is Nuveen Fund Advisors, LLC (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"). The Adviser is responsible for the Fund's overall investment strategy and asset allocation decisions. The Adviser has entered into a sub-advisory agreement with Security Capital Research & Management Incorporated ("Security Capital"). Security Capital manages the Fund's investment portfolio, while the Adviser manages the Fund's investments in swap contracts.

Investment Objective

The Fund seeks to provide high current income and capital appreciation by investing at least 90% of its total assets in income producing common stocks, preferred stocks, convertible preferred stocks and debt securities issued by real estate companies. The Fund will invest at least 80% of its total assets in income producing equity securities issued by Real Estate Investment Trusts ("REITs"), and will not invest more than 25% of its total assets in non-investment grade preferred stocks, convertible preferred stocks and debt securities.

Significant Accounting Policies

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 ("U.S. GAAP").

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. 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 has instructed the custodian to earmark securities in the Fund's portfolio with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. As of December 31, 2013, the Fund had no such outstanding purchase commitments.

Investment Income

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which reflects the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also reflects paydown gains and losses, if any. Other income is comprised of fees earned in connection with the hypothecation of pledged collateral as further described in Note 8 Borrowing Arrangements.

Professional Fees

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment or to pursue other claims or legal actions on behalf of Fund shareholders. Should the Fund receive a refund of workout expenditures paid in a prior reporting period, such amounts will be recognized as "Legal fee refund" on the Statement of Operations.

Dividends and Distributions to Common Shareholders

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

The Fund makes quarterly 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 quarterly distributions (a "Managed Distribution Program"). 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 attributed to net unrealized gains, if any, is distributed from the Fund's assets and is treated by shareholders as a non-taxable distribution ("Return of Capital") for tax purposes. In the event that total distributions during a calendar year exceed the Fund's total return on net asset value, the difference will reduce net asset value per share. 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. 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 financial statements contained in the annual report as of December 31 each year.

REIT distributions received by the Fund are generally comprised of ordinary income, long-term capital gains and a return of REIT capital. The actual character of amounts received during the period are not known until after the fiscal year-end. For the fiscal year ended December 31, 2013, the character of distributions to the Fund from the REITs was 73.95% ordinary income, 15.33% long-term capital gains and 10.72% return of REIT capital. For the fiscal year ended December 31, 2012, the character of distributions to the Fund from the REITs was 78.85% ordinary income, 13.13% long-term capital gains and 8.02% return of REIT capital.

For the fiscal years ended December 31, 2013 and December 31, 2012, the Fund applied the actual character of distributions reported by the REITs in which the Fund invests to its receipts from the REITs. If a REIT held in the portfolio of investments did not report the actual character of its distributions during the period, the Fund treated the distributions as ordinary income.

The actual character of distributions made by the Fund during the fiscal years ended December 31, 2013 and December 31, 2012, are reflected in the accompanying financial statements.

Taxable Auctioned Preferred Shares

The Fund is authorized to issue auction rate preferred ("Taxable Auctioned Preferred") shares. During prior fiscal periods, the Fund redeemed all of its outstanding Taxable Auctioned Preferred shares, at liquidation value.

Equity Shelf Program and Offering Costs

During the current reporting period, the Fund filed an initial registration statement with the Securities and Exchange Commission ("SEC") authorizing the Fund to issue an additional 7.1 million shares through an equity shelf program ("Shelf Offering"), which is not yet effective.

Under the Shelf Offering, the Fund, subject to market conditions, may raise additional equity capital from time to time in varying amounts and offering methods at a net price at or above the Fund's net asset value per share.

Costs incurred by the Fund in connection with its initial Shelf Offering will be recorded as a deferred charge and recognized as a component of "Deferred offering costs" on the Statement of Assets and Liabilities. These deferred charges will be recognized over the period such additional shares are sold by reducing the proceeds from the Shelf Offering. These deferred charges are not to exceed the one-year life of the Shelf

Offering period and will be recognized as a component of "Proceeds from shelf offering, net of offering costs" on the Statement of Changes in Net Assets. At the end of the one-year life of the Shelf Offering period, any remaining deferred charges will be expensed accordingly and recognized as a component of "Other expenses" on the Statement of Operations. Any additional costs the Fund may incur in connection with its Shelf Offering are expensed as incurred and will be recognized as a component of "Proceeds from shelf offering, net of offering costs" on the Statement of Changes in Net Assets.

Indemnifications

Under the Fund's organizational documents, their 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.

Netting Agreements

In the ordinary course of business, the Fund may enter into transactions subject to enforceable master repurchase agreements, International Swaps and Derivative Association, Inc. ("ISDA") master agreements or other similar arrangements ("netting agreements"). Generally, the right to offset in netting agreements allows the Fund to offset any exposure to a specific counterparty with any collateral received or delivered to that counterparty based on the terms of the agreements. Generally, the Fund manages its cash collateral and securities collateral on a counterparty basis. As of December 31, 2013, the Fund was not invested in any portfolio securities or derivatives, other than repurchase agreements and swap contracts further described in Note 3 Portfolio Securities and Investments in Derivatives that are subject to netting agreements.

Notes to Financial Statements (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Investment Valuation and Fair Value Measurements

Investment Valuation

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1 for fair value measurement purposes. Securities primarily traded on the NASDAQ National Market ("NASDAQ") are valued, except as indicated below, at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2.

Prices of fixed-income securities and swap contracts are provided by a pricing service approved by the Fund's Board of Trustees. These securities are generally classified as Level 2. The pricing service establishes a security's fair value using methods that may include consideration of the following: 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. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Repurchase agreements are valued at contract amount plus accrued interest, which approximates market value. These securities are generally classified as Level 2.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Fund's Board of Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of the Fund's net asset value (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: 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. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Fund's Board of Trustees or its designee.

Fair Value Measurements

Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
Long-Term Investments*:				
Real Estate Investment Trust Common Stocks	$237,578,450	$	$	$237,578,450
Convertible Preferred Securities	9,081,336			9,081,336
Real Estate Investment Trust Preferred Stocks	131,856,840	14,093,122		145,949,962
Short-Term Investments:				
Repurchase Agreements		2,524,784		2,524,784
Derivatives:				
Swaps**		2,290,340		2,290,340
Total	$378,516,626	$18,908,246	$	$397,424,872

* Refer to the Fund's Portfolio of Investments for industry classifications and breakdown of Real Estate Investment Trust Preferred Stocks classified as Level 2.

** Represents net unrealized appreciation (depreciation) as reported in the Fund's Portfolio of Investments.

The Nuveen funds' Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds' pricing policies and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser's dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making a fair value determination, based on the facts and circumstances specific to the portfolio instrument. Fair value determinations generally will be derived as follows, using public or private market information:

(i) If available, fair value determinations shall be derived by extrapolating from recent transactions or quoted prices for identical or comparable securities.

(ii) If such information is not available, an analytical valuation methodology may be used based on other available information including, but not limited to: analyst appraisals, research reports, corporate action information, issuer financial statements and shelf registration statements. Such analytical valuation methodologies may include, but are not limited to: multiple of earnings, discount from market value of a similar freely-traded security, discounted cash flow analysis, book value or a multiple thereof, risk premium/yield analysis, yield to maturity and/or fundamental investment analysis.

The purchase price of a portfolio instrument will be used to fair value the instrument only if no other valuation methodology is available or deemed appropriate, and it is determined that the purchase price fairly reflects the instrument's current value.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors/Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board of Directors/Trustees.

3. Portfolio Securities and Investments in Derivatives

Portfolio Securities

Foreign Currency Transactions

To the extent that the Fund invests in securities and/or contracts that are denominated in a currency other than U.S. dollars, the Fund will be subject to currency risk, which is the risk that an increase in the U.S. dollar relative to the foreign currency will reduce returns or portfolio value. Generally, when the U.S. dollar rises in value against a foreign currency, the Fund's investments denominated in that currency will lose value because its currency is worth fewer U.S. dollars; the opposite effect occurs if the U.S. dollar falls in relative value. Investments and other assets and liabilities denominated in foreign currencies are converted into U.S. dollars on a spot (i.e. cash) basis at the spot rate prevailing in the foreign currency exchange market at the time of valuation. Purchases and sales of investments and income denominated in foreign currencies are translated into U.S. dollars on the respective dates of such transactions.

The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, assets and liabilities are translated into U.S. dollars at 4:00 p.m. Eastern Time. Investment transactions, income and expenses are translated on the respective dates of such transactions. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date of the transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received.

Notes to Financial Statements (continued)

The realized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with other assets and liabilities on investments are recognized as a component of "Net realized gain (loss) from investments and foreign currency," on the Statement of Operations, when applicable.

The unrealized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with other assets and liabilities on investments are recognized as a component of "Change in net unrealized appreciation (depreciation) of investments and foreign currency," on the Statement of Operations, when applicable. The unrealized gains and losses resulting from changes in foreign exchange rates associated with forward foreign currency exchange contracts, futures, options purchased, options written and swaps are recognized as a component of "Change in net unrealized appreciation (depreciation) of forward foreign currency exchange contracts, futures, options purchased, options written and swap contracts," respectively, on the Statement of Operations, when applicable.

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 counterparty defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

The following table presents the repurchase agreements for the Fund that are subject to netting agreements as of the end of the reporting period, and the collateral delivered related to those repurchase agreements.

Counterparty	Short-Term Investments, at Value	Collateral Pledged (From) Counterparty*	Net Exposure
Fixed Income Clearing Corporation	$ 2,524,784	$ (2,524,784)	$

* As of December 31, 2013, the value of the collateral pledged from the counterparty exceeded the value of the repurchase agreements. Refer to the Fund's Portfolio of Investments for details on the repurchase agreements.

Investments in Derivatives

The Fund is authorized to invest in certain derivative instruments, such as futures, options and swap contracts. The Fund limits its investments in futures, options on futures and swap contracts to the extent necessary for the Adviser to claim the exclusion from registration by the Commodity Futures Trading Commission as a commodity pool operator with respect to the Fund. The Fund records derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Fund's investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

Swap Contracts

Interest rate swap contracts involve the Fund's agreement with the counterparty to pay or receive a fixed rate payment in exchange for the counterparty receiving or paying a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on any variable rate borrowing. Forward interest rate swap transactions involve the Fund's agreement with a counterparty to pay or receive, in the future, a fixed or variable rate payment in exchange for the counterparty receiving or paying the Fund a variable or fixed rate payment, the accruals for which would begin at a specified date in the future (the "effective date"). The payment obligation is based on the notional amount of the swap contract. Swap contracts do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the net amount of interest payments that the Fund is to receive. Swap contracts are valued daily. Upon entering into an interest rate swap (and beginning on the effective date for a forward interest rate swap), the Fund accrues the fixed rate payment expected to be paid or received and the variable rate payment expected to be received or paid on a daily basis, and recognizes the daily change in the market value of the Fund's contractual rights and obligations under the contracts. The net amount recorded for these transactions for each counterparty is recognized on the Statement of Assets and Liabilities as a component of "Unrealized appreciation or depreciation on interest rate swaps (,net)" with the change during the fiscal period recognized on the Statement of Operations as a component of "Change in net unrealized appreciation (depreciation) of swaps." Income received or paid by the Fund is recognized as a component of "Net realized gain (loss) from swaps" on the Statement of Operations, in addition to the net realized gains or losses recognized upon the termination of a swap contract, and are equal to the difference between the Fund's basis in the swap contract and the proceeds from (or cost of) the closing transaction. Payments received or made at the beginning of the measurement period are recognized as a component of "Interest rate swap premiums paid and/or received" on the Statement of Assets and Liabilities, when applicable. For tax purposes, periodic payments are treated as ordinary income or expense.

During the fiscal year ended December 31, 2013, the Fund continued to use interest rate swap contracts to partially fix its interest cost of leverage, which the Fund employs through the use of bank borrowings.

The average notional amount of interest rate swap contracts outstanding during the fiscal year ended December 31, 2013, was as follows:

Average notional amount of interest rate swap contracts outstanding*	$112,977,000

* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal year and at the end of each fiscal quarter within the current fiscal year.

The following table presents the fair value of all interest rate swap contracts held by the Fund as of December 31, 2013, the location of these instruments on the Statement of Assets and Liablilities and the primary underlying risk exposure.

		Location on the Statements of Assets and Liabilities			
Underlying Risk Exposure	Derivative Instrument	Asset Derivatives		(Liability) Derivatives	
		Location	Value	Location	Value
Interest rate	Swaps	Unrealized appreciation on interest rate swaps, net	$3,211,752	Unrealized depreciation on interest rate swaps	$(855,936)
Interest rate	Swaps	Unrealized appreciation on interest rate swaps, net	(65,476)		
Total			$3,146,276		$(855,936)

The following table presents the swap contacts, which are subject to netting agreements, as well as the collateral delivered related to those swap contracts.

Counterparty	Gross Unrealized Appreciation on Interest Rate Swaps*	Gross Unrealized (Depreciation) on Interest Rate Swaps*	Amounts Netted on Statement of Assets and Liabilities	Net Unrealized Appreciation (Depreciation) on Interest Rate Swaps	Collateral Pledged to (from) Counterparty	Net Exposure
JPMorgan	$ 3,211,752	$ (65,476)	$ (65,476)	$ 3,146,276	$(2,847,443)	$ 298,833
Morgan Stanley		(855,936)		(855,936)	855,936	
Total	$ 3,211,752	$ (921,412)	$ (65,476)	$ 2,290,340	$(1,991,507)	$ 298,833

* Represents gross unrealized appreciation (depreciation) for the counterparty as reported in the Fund's Portfolio of Investments.

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on swap contracts during the fiscal year ended December 31, 2013, and the primary underlying risk exposure.

Underlying Risk Exposure	Derivative Instrument	Net Realized Gain (Loss) from Swaps	Change in Net Unrealized Appreciation (Depreciation) of Swaps
Interest rate	Swaps	$ (694,120)	$ 3,577,963

Market and Counterparty Credit Risk

In the normal course of business the Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose the Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of the Fund's exposure to counterparty credit risk in respect to these financial assets approximates its carrying value as recorded on the Statement of Assets and Liabilities.

The Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of the Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when the Fund has an unrealized loss, the Fund has instructed the custodian to pledge assets of the Fund as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

4. Fund Shares

Common Shares

Since the inception of the Fund's repurchase program, the Fund has not repurchased any of its outstanding common shares.

Transactions in common shares were as follows:

	Year Ended 12/31/13	**Year Ended 12/31/12**
Common shares issued to shareholders due to reinvestment of distributions	101,564	100,661

Notes to Financial Statements (continued)

5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the fiscal year ended December 31, 2013, aggregated $364,926,679 and $363,751,723, respectively.

6. Income Tax Information

The Fund intends to distribute substantially all of its investment company taxable income to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. 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.

For all open tax years and all major taxing jurisdictions, management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

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 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 as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

As of December 31, 2013, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives), as determined on a federal income tax basis, were as follows:

Cost of investments	$353,162,731
Gross unrealized:	
Appreciation	$ 60,872,093
Depreciation	(18,900,292)
Net unrealized appreciation (depreciation) of investments	$ 41,971,801

Permanent differences, primarily due to tax basis earnings and profits adjustments and treatment of notional principal contracts, resulted in reclassifications among the Fund's components of common share net assets at December 31, 2013, the Fund's tax year end, as follows:

Paid-in surplus	$(18,156,946)
Undistributed (Over-distribution of) net investment income	17,463,840
Accumulated net realized gain (loss)	693,106

The tax components of undistributed net ordinary income and net long-term capital gains at December 31, 2013, the Fund's tax year end, were as follows:

Undistributed net ordinary income	$
Undistributed net long-term capital gains	

The tax character of distributions paid during the Fund's tax years ended December 31, 2013 and December 31, 2012, was designated for purposes of the dividends paid deduction as follows:

2013	
Distributions from net ordinary income[1]	$27,195,724
Distributions from net long-term capital gains	
2012	
Distributions from net ordinary income[1]	$26,384,143
Distributions from net long-term capital gains	

[1] Net ordinary income consists of net taxable income derived from dividends and interest, and current year earnings and profits attributable to realized gains.

As of December 31, 2013, the Fund's tax year end, the Fund had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows as shown in the following table. The losses not subject to expiration will be utilized first by a Fund.

Expiration: December 31, 2017	$141,222,053

During the Fund's tax year ended December 31, 2013, the Fund utilized $23,897,408 of its capital loss carryforwards.

The Fund has elected to defer late-year losses in accordance with federal income tax rules. These losses are treated as having arisen on the first day of the following fiscal year. The Fund has elected to defer losses as follows:

Post-October capital losses[2]	$ 464,724
Late-year ordinary losses[3]	

[2] Capital losses incurred from November 1, 2013 through December 31, 2013, the Fund's tax year end.

[3] Specified losses incurred from November 1, 2013 through December 31, 2013.

7. Management Fees and Other Transactions with Affiliates

The Fund's management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. Security Capital is compensated for its services to the Fund from the management fees paid to the Adviser.

The Fund's management fee consists of two components a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables Fund shareholders to benefit from growth in the assets within the 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 calculated according to the following schedule:

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, is calculated according to the following schedule:

Complex-Level Managed Asset Breakpoint Level*	**Effective Rate at Breakpoint Level**
$55 billion	.2000%
$56 billion	.1996
$57 billion	.1989
$60 billion	.1961
$63 billion	.1931
$66 billion	.1900
$71 billion	.1851

$76 billion	.1806
$80 billion	.1773
$91 billion	.1691
$125 billion	.1599
$200 billion	.1505
$250 billion	.1469
$300 billion	.1445

* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to certain types of leverage. For these purposes, leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen Funds that constitute "eligible assets." Eligible assets do not include assets attributable to investments in other Nuveen Funds or assets in excess of $2 billion added to the Nuveen Fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of December 31, 2013, the complex-level fee rate for the Fund was .1686%.

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.

Notes to Financial Statements (continued)

8. Borrowing Arrangements

Borrowings

The Fund has entered into a $140 million (maximum commitment amount) prime brokerage facility ("Borrowings") with BNP Paribas Prime Brokerage, Inc. ("BNP") as a means of leverage. As of December 31, 2013, the outstanding balance on these Borrowings was $123.5 million. During the fiscal year ended December 31, 2013, the average daily balance outstanding and interest rate on these Borrowings were $127.4 million and 1.11%, respectively.

In order to maintain these Borrowings, the Fund must meet certain collateral, asset coverage and other requirements. Borrowings outstanding are fully secured by securities held in the Fund's portfolio of investments ("Pledged Collateral"). Interest is charged on these Borrowings at 3-Month LIBOR (London Inter-Bank Offered Rate) plus .85% on the amount borrowed and .50% on the undrawn balance.

Borrowings outstanding are recognized as "Borrowings" on the Statement of Assets and Liabilities. Interest expense incurred on the borrowed amount and undrawn balance are recognized as a component of "Interest expense on borrowings" on the Statement of Operations.

Rehypothecation

On December 9, 2013, the Adviser entered into a Rehypothecation Side Letter ("Side Letter") with BNP, allowing BNP to re-register the Pledged Collateral in its own name or in a name other than the Fund's to pledge, repledge, hypothecate, rehyphothecate, sell, lend or otherwise transfer or use the Pledged Collateral (the "Hypothecated Securities") with all rights of ownership as described in the Side Letter. Subject to certain conditions, the total value of the outstanding Hypothecated Securities shall not exceed the lesser of (i) 98% of the outstanding balance on the Borrowings to which the Pledged Collateral relates and (ii) 33 1/3% of the Fund's total assets. The Fund may designate any Pledged Collateral as ineligible for rehypothecation. The Fund may also recall Hypothecated Securities on demand.

The Fund also has the right to apply and set-off an amount equal to one-hundred percent (100%) of the then-current fair market value of such Pledged Collateral against the current Borrowings under the Side Letter in the event that BNP fails to timely return the Pledged Collateral and in certain other circumstances. In such circumstances, however, the Fund may not be able to obtain replacement financing required to purchase replacement securities and, consequently, the Fund's income generating potential may decrease. Even if the Fund is able to obtain replacement financing, it might not be able to purchase replacement securities at favorable prices.

The Fund will receive a fee in connection with the Hypothecated Securities ("Rehypothecation Fees") in addition to any principal, interest, dividends and other distributions paid on the Hypothecated Securities.

As of December 31, 2013, the Fund did not have any Hypothecated Securities. During the period from December 9, 2013 through December 31, 2013 the Fund earned Rehypothecation Fees of $10,806, which is recognized as "Other income" on the Statement of Operations.

Additional

Fund Information

Board of Trustees

Fund Manager	Custodian	Legal Counsel	Independent Registered Public Accounting Firm	Transfer Agent and Shareholder Services
Nuveen Fund Advisors, LLC 333 West Wacker Drive Chicago, IL 60606	State Street Bank & Trust Company Boston, MA 02111	Chapman and Cutler LLP Chicago, IL 60603	Ernst & Young LLP Chicago, IL 60606	State Street Bank & Trust Company Nuveen Funds P.O. Box 43071 Providence, RI 02940-3071 (800) 257-8787

Quarterly Form N-Q Portfolio of Investments Information

The Fund is required to file its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. You may obtain this information directly from the SEC. 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 toll-free at (800) SEC -0330 for room hours and operation.

Nuveen Funds' Proxy Voting Information

You may obtain (i) information regarding how each fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com and (ii) a description of the policies and procedures that each fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll free at (800) 257-8787. You may also obtain this information directly from the SEC. Visit the SEC on-line at http://www.sec.gov.

CEO Certification Disclosure

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

The Fund has filed with the SEC the certification of its CEO and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Common Share Information

The Fund intends to repurchase shares of its own common stock at such times and in such amounts as is deemed advisable. During the period covered by this report, the Fund repurchased shares of its common stock as shown in the accompanying table.

	JRS
Common Shares Repurchased	

Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

Additional Fund Information (continued)

Distribution Information

The Fund hereby designates its percentage of dividends paid from net ordinary income as dividends qualifying for the 70% dividends received deduction (DRD) for corporations and its percentage as qualified dividend income (QDI) for individuals under Section 1(h)(11) of the Internal Revenue Code as shown in the accompanying table. The actual qualified dividend income distributions will be reported to shareholders on Form 1099-DIV which will be sent to shareholders shortly after calendar year end.

	JRS
% QDI	0.00%
% DRD	0.00%

Glossary of Terms

Used in this Report

n **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.

n **Dow Jones Industrial Average:** A price-weighted index of the 30 largest, most widely held stocks traded on the New York Stock Exchange. The index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

n **Effective Leverage:** Effective leverage is a fund's effective economic leverage, and includes both regulatory leverage (see below) and the leverage effects of certain derivative investments in the fund's portfolio.

n **Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

n **JRS Blended Benchmark (60% Wilshire U.S. Real Estate Securities Index (RESI)/Wells Fargo Hybrid and Preferred Securities REIT Index):** A blended return comprised of: 1) 60% Wilshire U.S. Real Estate Securities Index (RESI). The Wilshire U.S. Real Estate Index measures the performance of publicly traded real estate securities (REITs) 2) 40% Wells Fargo Hybrid and Preferred Securities REIT Index (inception date 5/31/2007). The Wells Fargo Hybrid and Preferred Securities REIT Index is designed to track the performance of preferred securities issued in the U.S. market by Real Estate Investment Trusts (REITs). The index is composed exclusively of preferred shares and depositary shares. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees.

n **Leverage:** Leverage is created whenever a fund has investment exposure (both reward and/or risk) equivalent to more than 100% of the investment capital.

n **Net Asset Value (NAV) Per Share:** A fund's Net Assets is equal to its total assets (securities, cash, accrued earnings and receivables) less its total liabilities. NAV per share is equal to the fund's Net Assets divided by its number of shares outstanding.

n **Regulatory Leverage:** Regulatory leverage consists of preferred shares issued by or borrowings of a fund. Both of these are part of a fund's capital structure. Regulatory leverage is subject to asset coverage limits set in the Investment Company Act of 1940.

n **Russell 2000® Index:** An index that measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

n **S&P 500® Index:** An unmanaged index generally considered representative of the U.S. stock market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

n **Wilshire U.S. Real Estate Securities Index (RESI):** A float-adjusted market capitalization index that is reviewed quarterly. This index is designed to measure the performance of publicly traded real estate securities and to serve as a proxy for direct real estate investments. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

Reinvest Automatically,

Easily and Conveniently

Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

Nuveen Closed-End Funds Automatic Reinvestment Plan

Your Nuveen Closed-End Fund allows you to conveniently reinvest 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. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on distributions that are reinvested.

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 quarter you'll receive a statement showing your total 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 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. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on 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 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.

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 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.

Board

Members & Officers (Unaudited)

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board of Trustees of the Funds. The number of trustees of the Funds is currently set at twelve. None of the trustees who are not "interested" persons of the Funds (referred to herein as "independent trustees") has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the trustees 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, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term[(1)]	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Independent Board Members:				
n**WILLIAM J. SCHNEIDER**				
1944 333 W. Wacker Drive Chicago, IL 60606	Chairman and Board Member	**1996** **Class III**	Chairman of Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; an owner in several other Miller Valentine entities; Board Member of Mid-America Health System, Tech Town, Inc., a not-for-profit community development company, Board Member of WDPR Public Radio station; formerly, member, Business Advisory Council, Cleveland Federal Reserve Bank and University of Dayton Business School Advisory Council.	**206**
n**ROBERT P. BREMNER**				
1940 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1996** **Class III**	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington, D.C.; Board Member, Independent Directors Council affiliated with the Investment Company Institute.	**206**
n**JACK B. EVANS**				
1948 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1999** **Class III**	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Chairman, United Fire Group, a publicly held company; formerly, Member and President Pro-Tem of the Board of Regents for the State of Iowa University System; Director, Source Media Group; Life Trustee of Coe College; formerly, Director, Alliant Energy; formerly,	**206**

			Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.	
n**WILLIAM C. HUNTER**				
1948 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2004** **Class I**	Dean Emeritus (since June 30, 2012), formerly, Dean, Tippie College of Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and President (since July 2012) Beta Gamma Sigma, Inc., The International Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.	**206**
n**DAVID J. KUNDERT**				
1942 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2005** **Class II**	Formerly, Director, Northwestern Mutual Wealth Management Company (2006-2013), retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Regent Emeritus, Member of Investment Committee, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; member of the Board of Directors (Milwaukee), College Possible.	**206**

Board Members & Officers (Unaudited) (continued)

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term[1]	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Independent Board Members (continued):				
n**JOHN K. NELSON**				
1962 333 West Wacker Drive Chicago, IL 60606	Board Member	**2013** **Class II**	Senior external advisor to the financial services practice of Deloitte Consulting LLP (since 2012); Member of Board of Directors of Core12 LLC (since 2008), a private firm which develops branding, marketing and communications strategies for clients; Chairman of the Board of Trustees of Marian University (since 2010 as trustee, 2011 as Chairman); Director of The Curran Center for Catholic American Studies (since 2009) and The President's Council, Fordham University (since 2010); formerly, Chief Executive Officer of ABN AMRO N.V. North America, and Global Head of its Financial Markets Division (2007-2008); prior senior positions held at ABN AMRO include Corporate Executive Vice President and Head of Global Markets-the Americas (2006-2007), CEO of Whole-sale Banking North America and Global Head of Foreign Exchange and Futures Markets (2001-2006), and Regional Commercial Treasurer and Senior Vice President Trading-North America (1996-2001); formerly, Trustee at St. Edmund Preparatory School in New York City.	**206**
n**JUDITH M. STOCKDALE**				
1947 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1997** **Class I**	Formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	**206**
n**CAROLE E. STONE**				
1947 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2007** **Class I**	Director, Chicago Board Options Exchange (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); Director, CBOE Holdings, Inc. (since 2010); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007).	**206**
n**VIRGINIA L. STRINGER**				

1944 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2011** **Class I**	Board Member, Mutual Fund Directors Forum; former governance consultant and non-profit board member; former Owner and President, Strategic Management Resources, Inc., a management consulting firm; former Member, Governing Board, Investment Company Institute's Independent Directors Council; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company; Independent Director, First American Fund Complex (1987-2010) and Chair (1997-2010).	**206**
n**TERENCE J. TOTH**				
1959 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2008** **Class II**	Managing Partner, Promus Capital (since 2008); Director, Fulcrum IT Service LLC (since 2010), Quality Control Corporation (since 2012) and LogicMark LLC (since 2012); formerly, Director, Legal & General Investment Management America, Inc. (2008-2013); formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); member: Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Chairman, and Mather Foundation Board (since 2012), and a member of its investment committee; formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).	**206**

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term[1]	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Interested Board Members:				
n**WILLIAM ADAMS IV**[2]				
1955 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2013** **Class II**	Senior Executive Vice President, Global Structured Products (since 2010); formerly, Executive Vice President, U.S. Structured Products, of Nuveen Investments, Inc. (1999-2010); Co-President of Nuveen Fund Advisors, LLC (since 2011); President (since 2011), formerly, Managing Director (2010-2011) of Nuveen Commodities Asset Management, LLC; Board Member of the Chicago Symphony Orchestra and of Gilda s Club Chicago.	**132**
n**THOMAS S. SCHREIER, JR.**[2]				
1962 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2013** **Class III**	Vice Chairman, Wealth Management of Nuveen Investments, Inc. (since 2011); Co-President of Nuveen Fund Advisors, LLC; Chairman of Nuveen Asset Management, LLC (since 2011); Co-Chief Executive Officer of Nuveen Securities, LLC (since 2011); Member of Board of Governors and Chairman's Council of the Investment Company Institute; formerly, Chief Executive Officer (2000-2010) and Chief Investment Officer (2007-2010) of FAF Advisors, Inc.; formerly, President of First American Funds (2001-2010).	**132**

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed[3]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds:				
n**GIFFORD R. ZIMMERMAN**				
1956 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	**1988**	Managing Director (since 2002), and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel of	**206**

			Nuveen Asset Management, LLC (since 2011); Managing Director, Associate General Counsel and Assistant Secretary, of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Nuveen Investments Advisers Inc. (since 2002), Santa Barbara Asset Management, LLC (since 2006), and of Winslow Capital Management, LLC, (since 2010); Vice President and Assistant Secretary (since 2013), formerly, Chief Administrative Officer and Chief Compliance Officer (2006-2013) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst.	
n**CEDRIC H. ANTOSIEWICZ** 1962 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2007**	Managing Director of Nuveen Securities, LLC.	**100**
n**MARGO L. COOK** 1964 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2009**	Executive Vice President (since 2008) of Nuveen Investments, Inc. and of Nuveen Fund Advisors, LLC (since 2011); Managing Director-Investment Services of Nuveen Commodities Asset Management, LLC (since August 2011), previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Management (1986-2007) of Bank of NY Mellon; Chartered Financial Analyst.	**206**
n**LORNA C. FERGUSON** 1945 333 W. Wacker Drive Chicago, IL 60606	Vice President	**1998**	Managing Director (since 2005) of Nuveen Fund Advisors, LLC and Nuveen Securities, LLC (since 2004).	**206**

Board Members & Officers (Unaudited) (continued)

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds (continued):				
n**STEPHEN D. FOY**				
1954 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	**1998**	Senior Vice President (2010-2011), formerly, Vice President (2005-2010) and Funds Controller of Nuveen Securities, LLC; Senior Vice President (since 2013), formerly, Vice President of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); Certified Public Accountant.	**206**
n**SCOTT S. GRACE**				
1970 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	**2009**	Managing Director, Corporate Finance & Development, Treasurer (since 2009) of Nuveen Securities, LLC; Managing Director and Treasurer (since 2009) of Nuveen Fund Advisors, LLC, Nuveen Investments Advisers, Inc., Nuveen Investments Holdings Inc. and (since 2011) Nuveen Asset Management, LLC; Vice President and Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, LLC.; Vice President of Santa Barbara Asset Management, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006-2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant Designation.	**206**
n**WALTER M. KELLY**				
1970 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	**2003**	Senior Vice President (since 2008) of Nuveen Investment Holdings, Inc.	**206**
n**TINA M. LAZAR**				
1961 333 W. Wacker Drive Chicago,	Vice President	**2002**	Senior Vice President of Nuveen Investment Holdings, Inc.	**206**

IL 60606				
n**KEVIN J. MCCARTHY**				
1966 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	**2007**	Managing Director and Assistant Secretary (since 2008), Nuveen Securities, LLC; Managing Director (since 2008), Assistant Secretary (since 2007) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director (since 2008), and Assistant Secretary, Nuveen Investment Holdings, Inc.; Vice President (since 2007) and Assistant Secretary of Nuveen Investments Advisers Inc., NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, and of Winslow Capital Management, LLC. (since 2010); Vice President and Secretary (since 2010) of Nuveen Commodities Asset Management, LLC.	**206**
n**KATHLEEN L. PRUDHOMME**				
1953 901 Marquette Avenue Minneapolis, MN 55402	Vice President and Assistant Secretary	**2011**	Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010).	**206**

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds (continued):				
n**JOEL T. SLAGER**				
1978 333 West Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**2013**	Fund Tax Director for Nuveen Funds (since May, 2013); previously, Vice President of Morgan Stanley Investment Management, Inc., Assistant Treasurer of the Morgan Stanley Funds (from 2010 to 2013); Tax Director at PricewaterhouseCoopers LLP (from 2008 to 2010).	**206**

(1) The Board Members serve three year terms. The Board of Trustees is divided into three classes. Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The first year elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.

(2) "Interested person" as defined in the 1940 Act, by reason of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.

(3) Officers serve one year terms through August 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.

Notes

Notes

Nuveen Investments:

Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

Focused on meeting investor needs.

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutional and individual investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets a wide range of specialized investment solutions which provide investors access to capabilities of its high-quality boutique investment affiliates Nuveen Asset Management, Symphony Asset Management, NWQ Investment Management Company, Santa Barbara Asset Management, Tradewinds Global Investors, Winslow Capital Management and Gresham Investment Management. In total, Nuveen Investments managed approximately $215 billion as of September 30, 2013.

Find out how we can help you.

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at **(800) 257-8787.** Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain 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**

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EAN-A-1213D

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, 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/CEF/Shareholder/FundGovernance.aspx. (To view the code, click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant s Board of Directors or Trustees (Board) 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 Carole E. Stone, who is independent for purposes of Item 3 of Form N-CSR.

Ms. Stone served for five years as Director of the New York State Division of the Budget. As part of her role as Director, Ms. Stone was actively involved in overseeing the development of the State s operating, local assistance and capital budgets, its financial plan and related documents; overseeing the development of the State s bond-related disclosure documents and certifying that they fairly presented the State s financial position; reviewing audits of various State and local agencies and programs; and coordinating the State s system of internal audit and control. Prior to serving as Director, Ms. Stone worked as a budget analyst/examiner with increasing levels of responsibility over a 30 year period, including approximately five years as Deputy Budget Director. Ms. Stone has also served as Chair of the New York State Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. These positions have involved overseeing operations and finances of certain entities and assessing the adequacy of project/entity financing and financial reporting. Currently, Ms. Stone is on the Board of Directors of CBOE Holdings, Inc., of the Chicago Board Options Exchange, and of C2 Options Exchange. Ms. Stone s position on the boards of these entities and as a member of both CBOE Holdings Audit Committee and its Finance Committee has involved, among other things, the oversight of audits, audit plans and preparation of financial statements.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

NUVEEN REAL ESTATE INCOME 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 Fees Billed to Fund (3)	All Other Fees Billed to Fund (4)
December 31, 2013	$ 25,300	$ 5,000	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%	0%
December 31, 2012	$ 24,300	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	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 that are not reported under Audit Fees . These fees include offerings related to the Fund s common shares and leverage.

(3) Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning. These fees include: all global withholding tax services; excise and state tax reviews; capital gain, tax equalization and taxable basis calculation performed by the principal accountant.

(4) All Other Fees are the aggregate fees billed for products and services other than Audit Fees , Audit-Related Fees and Tax Fees . These fees represent all Agreed-Upon Procedures engagements pertaining to the Fund s use of leverage.

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 Fund Advisors, LLC (formerly Nuveen Fund Advisors, Inc.) (or the Adviser), and any entity controlling, controlled by or under common control with the Adviser 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**	**All Other Fees Billed to Adviser and Affiliated Fund Service Providers**
December 31, 2013	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%
December 31, 2012	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%

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. 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 pre-approval 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 Fees 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)**	**Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (all other engagements)**	**Total**
December 31, 2013	$ 0	$ 0	$ 0	$ 0
December 31, 2012	$ 0	$ 0	$ 0	$ 0

Non-Audit Fees billed to Fund for both fiscal year ends represent Tax Fees and All Other Fees billed to Fund in their respective

amounts from the previous table.

Less than 50 percent of the hours expended on the principal accountant s engagement to audit the registrant s financial statements for the most recent fiscal year were attributed to work performed by persons other than the principal accountant s full-time, permanent employees.

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 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, Jack B. Evans, David J. Kundert, Carole E. Stone and Terence J. Toth.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) See Portfolio of Investments in Item 1.

(b) Not applicable.

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

Nuveen Fund Advisors, LLC, formerly known as Nuveen Fund Advisors, Inc., is the registrant s investment adviser (also referred to as the Adviser). The Adviser is responsible for the on-going monitoring of the Fund s investment portfolio, managing the Fund s business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Security Capital Research & Management Incorporated (Security Capital or Sub-Adviser) as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has delegated to the Sub-Adviser the full responsibility for proxy voting on securities held in the registrant s portfolio and related duties in accordance with the Sub-Adviser s policies and procedures. The Adviser periodically monitors the Sub-Adviser s voting to ensure that it is carrying out its duties. The Sub-Adviser s proxy voting policies and procedures are summarized as follows:

Security Capital may be granted by its clients the authority to vote the proxies of the securities held in client portfolios. To ensure that the proxies are voted in the best interests of its clients, Security Capital has adopted detailed proxy voting procedures (Procedures) that incorporate detailed proxy guidelines(Guidelines) for voting proxies on specific types of issues.

Pursuant to the Procedures, most routine proxy matters will be voted in accordance with the Guidelines, which have been developed with the objective of encouraging corporate action that enhances shareholder value. For proxy matters that are not covered by the Guidelines (including matters that require a case-by-case determination) or where a vote contrary to the Guidelines is considered appropriate, the Procedures require a certification and review process to be completed before the vote is cast. That process is designed to identify actual or potential material conflicts of interest and ensure that the proxy is cast in the best interest of clients. For proxy matters that are not covered by the Guidelines or where a vote contrary to the Guidelines is considered appropriate, the investment analyst who covers that company will document on a proxy summary how Security Capital is voting and that summary is signed-off by the investment analyst, as well as two Portfolio Managers. In addition, this summary is provided to Security Capital s Chief Compliance Officer.

To oversee and monitor the proxy-voting process, Security Capital has established a proxy committee and appointed a proxy administrator. The proxy committee meets periodically to review general proxy-voting matters, review and approve the Guidelines annually, and provide advice and recommendations on general proxy-voting matters as well as on specific voting issues.

A copy of the Security Capital s proxy voting procedures and guidelines are available upon request by contacting your client service representative.

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

Nuveen Fund Advisors, LLC, formerly known as Nuveen Fund Advisors, Inc. (NFALLC), is the registrant s investment adviser (NFALLC is also referred to as the Adviser). NFALLC is responsible for the selection and on-going monitoring of the Fund s investment portfolio, managing the Fund s business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Security Capital Research & Management Incorporated (Security Capital) for a portion of the registrant s investments. (Security Capital is also referred to as Sub-Adviser .) Security Capital, as Sub-Adviser, provides discretionary investment advisory services. The following section provides information on the portfolio managers at the Sub-Adviser:

Item 8 (a)(1). Portfolio management team from SECURITY CAPITAL RESEARCH & MANAGEMENT INCORPORATED

ANTHONY R. MANNO JR. is CEO, President and Chief Investment Officer of Security Capital Research & Management Incorporated. He is Chairman, President and Managing Director of SC-Preferred Growth LLC. Prior to joining Security Capital in 1994, Mr. Manno spent 14 years with LaSalle Partners Limited as a Managing Director, responsible for real estate investment banking activities. Mr. Manno began his career in real estate finance at The First National Bank of Chicago and has 40 years of experience in the real estate investment business. He received an MBA in Finance with honors (Beta Gamma Sigma) from the University of Chicago and graduated Phi Beta Kappa from Northwestern University with a BA and MA in Economics. Mr. Manno is also a Certified Public Accountant and was awarded an Elijah Watt Sells award.

KENNETH D. STATZ is a Managing Director and Senior Market Strategist of Security Capital Research & Management Incorporated where he is responsible for the development and implementation of portfolio investment strategy. Prior to joining Security Capital in 1995, Mr. Statz was a Vice President in the Investment Research Department of Goldman, Sachs & Co., concentrating on research and underwriting for the REIT industry. Previously, he was a REIT Portfolio Manager and a Managing Director of Chancellor Capital Management. Mr. Statz has 32 years of experience in the real estate securities industry and received an MBA and a BBA in Finance from the University of Wisconsin.

KEVIN W. BEDELL is a Managing Director of Security Capital Research & Management Incorporated where he directs the Investment Analysis Team, which provides in-depth proprietary research on publicly listed companies. Prior to joining Security Capital in 1996, Mr. Bedell spent nine years with LaSalle Partners Limited where he was Equity Vice President and Portfolio Manager, with responsibility for strategic, operational and financial management of a private real estate investment trust with commercial real estate investments in excess of $1 billion. Mr. Bedell has 27 years of experience in the real estate securities industry and received an MBA in Finance from the University of Chicago and a BA from Kenyon College.

Item 8 (a)(2). Other Accounts Managed by Security Capital Research & Management Incorporated

Nuveen Real Estate Income Fund and Nuveen Diversified Dividend and Income Fund (Funds)
Security Capital Research & Management Incorporated (Adviser)

(a)(1) Identify portfolio manager(s) of the Adviser to be named in the Fund prospectus	(a)(2) For each person identified in column (a)(1), provide number of accounts other than the Funds managed by the person within each category below and the total assets in the accounts managed within each category below						(a)(3) Performance Fee Accounts. For each of the categories in column (a)(2), provide number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($billions)	Number of Accounts	Total Assets ($billions)	Number of Accounts	Total Assets ($billions)	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets ($billions)
Anthony R. Manno Jr.	8	$ 0.4	2	$ 0.7	229	$ 2.1					5	$ 0.3
Kenneth D. Statz	8	$ 0.4	2	$ 0.7	221	$ 2.1					5	$ 0.3
Kevin W. Bedell	8	$ 0.4	2	$ 0.7	219	$ 2.1					5	$ 0.3

Potential Material Conflicts of Interest

As shown in the above tables, the portfolio managers may manage accounts in addition to the Nuveen Funds (the Funds). The potential for conflicts of interest exists when portfolio managers manage other accounts with similar investment objectives and strategies as the Funds (Similar Accounts). Potential conflicts may include, for example, conflicts between investment strategies and conflicts in the allocation of investment opportunities.

Responsibility for managing Security Capital s clients portfolios is organized according to investment strategies within asset classes. Generally, client portfolios with similar strategies are managed using the same objectives, approach and philosophy. Therefore, portfolio holdings, relative position sizes and sector exposures tend to be similar across similar portfolios, which minimizes the potential for conflicts of interest.

Security Capital may receive more compensation with respect to certain Similar Accounts than that received with respect to the Nuveen Funds or may receive compensation based in part on the performance of certain Similar Accounts. This may create a potential conflict of interest for Security Capital or its portfolio managers by providing an incentive to favor these Similar Accounts when, for example, placing securities transactions. Potential conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of limited investment opportunities. Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability, and allocation of investment opportunities generally, could raise a potential conflict of interest, as Security Capital may have an incentive to allocate securities that are expected to increase in value to favored accounts. Initial public offerings, in particular, are frequently of very limited availability. Security Capital may be perceived as causing accounts it manages to participate in an offering to increase Security Capital s overall allocation of securities in that offering. A potential conflict of interest also may be perceived to arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. If Security Capital manages accounts that engage in short sales of securities of the type in which the Funds invests, Security Capital could be seen as harming the performance of the Funds for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall.

Security Capital has policies and procedures designed to manage these conflicts described above such as allocation of investment opportunities to achieve fair and equitable allocation of investment opportunities among its clients over time. For example:

Orders placed for the same equity security within a reasonable time period are aggregated consistent with Security Capital s duty of best execution for its clients. If aggregated trades are fully executed, accounts participating in the trade will be allocated their pro rata share on an average price basis. Partially completed orders will be allocated among the participating accounts on a pro-rata average price basis as well.

Item 8 (a)(3). **Fund Manager Compensation**

The principal form of compensation of Security Capital s professionals is a base salary and annual bonus. Base salaries are fixed for each portfolio manager. Each professional is paid a cash salary and, in addition, a year-end bonus based on achievement of specific objectives that the professional s manager and the professional agree upon at the commencement of the year. The annual bonus is paid partially in cash and partially in either: (i) restricted stock of Security Capital s parent company, JPMorgan Chase & Co., (ii) in self-directed parent company mutual funds, and/or (iii) mandatory notional investment in selected mutual funds advised by Security Capital, all vesting over a three-year period (50% each after the second and third years). The annual bonus is a function of Security Capital achieving its financial, operating and investment performance goals, as well as the individual achieving measurable objectives specific to that professional s role within the firm and the investment performance of all accounts managed by the portfolio manager. None of the portfolio managers compensation is based on the performance of, or the value of assets held in, the Funds.

Item 8 (a)(4). **Ownership of JRS Securities as of December 31, 2013.**

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
Anthony R. Manno Jr.	X						
Kenneth D. Statz					X		
Kevin W. Bedell	X						

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

Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the Exchange Act) (17 CFR 240.13a-15(b) or 240.15d-15(b)).

(b) There were no changes in the registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to 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/CEF/Shareholder/FundGovernance.aspx and there were no amendments during the period covered by this report. (To view the code, click on 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 Real Estate Income Fund

By (Signature and Title)	/s/ Kevin J. McCarthy Kevin J. McCarthy Vice President and Secretary

Date: March 6, 2014

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 6, 2014

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

Date: March 6, 2014