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NUVEEN REAL ESTATE INCOME FUND

Form N-30D

January 02, 2003

ANNUAL REPORT October 31, 2002

Nuveen  
Closed-End  
Exchange-Traded  
Fund

NUVEEN  
REAL ESTATE  
INCOME FUND

JRS

PHOTO OF: 2 PEOPLE LOOKING AT STARFISH.

PHOTO OF: CHILD PLAYING VIOLIN.

HIGH CURRENT INCOME  
FROM A PORTFOLIO OF  
COMMERCIAL REAL ESTATE  
INVESTMENTS

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Photo of: Timothy R. Schwertfeger  
Chairman of the Board

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

Dear  
SHAREHOLDER

## Edgar Filing: NUVEEN REAL ESTATE INCOME FUND - Form N-30D

Despite an uncertain environment for real estate investments during much of this period, the Nuveen Real Estate Income Fund continued to meet its objective of providing attractive monthly income. Detailed information on your Fund's performance can be found in the Portfolio Manager's Comments and on the Performance Overview pages within this report. Please take the time to read them.

In addition to providing regular income, we believe that a real estate-based investment like your Nuveen Fund also may offer opportunities to reduce the risk of your overall investment portfolio. This is because the prices of real estate-based securities may move differently than the prices of the common stocks, mutual funds or other investments you may own. Since one part of your portfolio may be going up when another is going down, portfolio diversification may reduce your overall risk. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

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

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

Sincerely,

/s/ Timothy R. Schwertfeger  
Timothy R. Schwertfeger  
Chairman of the Board

December 16, 2002

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Nuveen Real Estate Income Fund (JRS)

Manager's  
PERSPECTIVE

The Nuveen Real Estate Income Fund was introduced in November 2001 and is managed by a team of real estate investment professionals at Security Capital Research & Management Incorporated, a wholly-owned subsidiary of General Electric Capital Services, Inc. Tony Manno and Ken Statz, who each have more than 21 years' experience in managing real estate investments, lead the team. Here the Security Capital Research & Management team reviews the economic environment and performance of the Fund since its inception.

WHAT WERE THE MAJOR ECONOMIC DRIVERS OF THE U.S. REAL ESTATE MARKET DURING THIS REPORTING PERIOD (SINCE THE FUND'S INCEPTION) AND HOW DID THOSE DRIVERS AFFECT THE REIT MARKET?

From the Fund's inception in November 2001 through October 31, 2002, a generally

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weak but slowly improving overall U.S. economy, a persistent equity bear market, and low interest rates combined to create conditions for strong relative performance of real estate securities. Investors, focused increasingly on income quality and transparency, have been drawn throughout the period to the relatively stable cash flows, substantial dividends, and attractive valuations available from some real estate common and preferred securities. In this year of waning investor confidence in other investment alternatives, real estate securities maintained the core reasons for their attraction - namely the steady income and demonstrable value of real properties.

Despite the relatively solid performance of real estate securities in the past year, the underlying operating fundamentals of the business deteriorated. With notable exceptions, occupancy levels in the major property types declined, leading to downward pressure on rental rates (for newly signed leases only). Nevertheless, the negative impacts to real estate company earnings this year were not unanticipated; real estate is, after all, a cyclical business that tends to lag changes in the macro-economic environment.

Looking specifically at some of the major types of property:

- o Apartment occupancy levels in many markets face continued pressures from both a weak job market and competition for would-be renters from an ever more accessible home ownership market.
- o Office market rent and occupancy levels have been hit especially hard by a weak business economy and a virtual hiring standstill in corporate America. As a result, leasing activity has slowed significantly in many markets around the country.
- o The retail sector, including both malls and smaller shopping centers, has remained a bright spot in the real estate business thanks to resilient consumers and strong demand from retailers expanding into new stores. Despite the widely publicized news of the Kmart bankruptcy, overall retailer bankruptcy levels remain below those of past recessions.

WHAT WERE THE KEY STRATEGIES AND TACTICS USED TO MANAGE JRS OVER THIS PERIOD?

Throughout the year, we continued to focus the portfolio on securities that we believed were best poised to generate sustainable income and possible appreciation while maintaining a very diverse portfolio. The key investment tactics we used to accomplish this goal were the careful management of the Fund's allocation to common and preferred securities, and the credit quality of the portfolio.

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At the completion of JRS's initial investment phase in March 2002 the Fund had, as planned, approximately a 35% allocation to preferred securities and a 65% allocation to common stock. The ensuing seven months has seen a persistent equity bear market and a continuation of the Federal Reserve's policy of lowering short-term interest rates, fueling investor demand for income-oriented securities. Our strategy from the outset was to aggressively compile the more-liquid common stock portion of the target portfolio as soon as possible and to opportunistically participate in preferred initial public offerings (IPO's) to assemble the less-liquid ratable securities portion. This strategy has worked well, given the subsequent significant rise in prices of most of the common securities purchased in mid-November 2001.

Gradually since March, we have shifted the balance of JRS's portfolio toward a

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more even split between common and preferred investments. This strategic change was executed for two reasons: first, to try to take full advantage of the relative value and inherent stability of preferreds in this market environment; and second, in recognition that many common stocks in the higher yield segment of our investment universe had reached or exceeded our target valuations. We implemented the strategy by purchasing in the open market and by participating in a number of attractively priced preferred offerings.

The ability to tilt JRS between these two distinct securities markets based on their relative pricing is an important strategy tool in seeking to achieve both income and long-term capital appreciation. As of October 31, 2002, JRS's preferred allocation had increased to 48% of the Fund's total net assets, due to this reallocation of capital.

WERE THERE ANY SPECIFIC AREAS OR TYPES OF PROPERTIES YOU FOCUSED ON IN PARTICULAR?

We believe the portfolio is well diversified by property type, geography, and issuer, which dampens the Fund's exposure to an adverse event that might affect one or a small group of issuers. The Fund's ability to invest in preferred securities allows it to capture cash flows generated by cyclically depressed property types and issuers through a priority position in the capital structure. For example, in two of the most challenging property types, apartments and hotels, we accomplished the Fund's 14% and 5% allocations to these sectors (respectively), primarily through investing in preferred stock (79% of our allocation to apartment companies is through preferred stock, and 100% of our allocation to hotels is through preferreds). At the same time, our allocation to retail property (25%), which we believe to be more stable and attractive at present, was accomplished primarily through investing in common stocks. We believe this extra layer of strategic flexibility enables us to better diversify the portfolio by property type and issuer, without adding undue risks.

HOW HAS THE FUND PERFORMED OVER THIS PERIOD?

For the period from its inception in November 2001 through October 31, 2002, the Fund produced a 2.09% return on net asset value. This compares with a 0.11% return over the same period for the Wilshire Real Estate Securities Index, an unmanaged index comprised of publicly-traded real estate investment trusts (REITs) and real estate operating companies. A significant portion of the differential between the Fund and this index is explained by the Fund's active program of investing in preferred stocks, which are not included in the index.

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The Fund manager's efforts to limit the Fund's exposure to short-term interest rate risk also affected the Fund's total return for the reporting period. Shortly after its common share IPO in November 2001, the Fund issued preferred shares that pay floating dividends tied to short-term interest rates. This leveraging strategy can help the Fund generate additional income for common shareholders if short-term rates remain below the longer-term rates at which the Fund invests the bulk of its assets. However, the strategy will not work as well if the dividends paid to the Fund's preferred shareholders begin to rise. In an effort to avoid some of the detrimental effects on common shareholder income that would come from a rise in short-term rates, the Fund has entered into a series of swap transactions that, in effect, lock in for several years the amount the Fund will pay to its preferred shareholders. This will help to create a more predictable, enhanced income stream for the Fund's common shareholders during the period the swaps are in effect.

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Since the swaps are considered assets of the Fund, a rise or fall in their value will affect the Fund's NAV and total return performance. Falling short-term interest rates, as has been the case through much of the reporting period, will cause the swaps to lose value. While this had a dampening effect on the Fund's total return over this reporting period, we believe the swaps will provide a corresponding NAV and total return benefit if and when short-term rates begin to rise.

Part of the JRS return comes from its monthly dividend, which the Fund began paying in February 2002. On October 31, 2002, the Fund's share price was \$14.40, which was below its IPO price of \$15.00. As of that date it was trading at a 6.19% premium to its net asset value per share.

### WHAT IS YOUR OUTLOOK FOR THE REAL ESTATE MARKETS AND WHAT DO YOU ANTICIPATE YOUR STRATEGY WILL BE GOING FORWARD?

Our current outlook for real estate markets over the next year is for continued occupancy weakness among office and hotel companies, gradual improvement in occupancy rates for the more cyclically sensitive apartment companies, and strong occupancy and rental rate levels for retail-oriented properties. Regardless of property type, we believe most companies in the industry are well-positioned and should have little difficulty paying their dividends, thanks in part to sharp declines in new construction starts, which should limit new supply in 2003 and 2004.

Our strategy of managing JRS for maximum income and capital appreciation over the next year will mainly be achieved by adjusting, as needed, the allocations between common and preferred securities. After a sustained period of economic weakness during which an income-focused strategy has been appropriate, we expect the near-term investment environment to shift from weakness to moderate growth. We also expect the Federal Reserve's posture on short-term interest rates to shift from the aggressive lowering of short-term rates to a new policy of increasing short-term rates as the economy recovers. This outlook suggests both that common stocks of well positioned companies may become more attractive, and that JRS's preferred allocation, the most interest rate sensitive area of the portfolio, may need to be pruned back in favor of growth-oriented common real estate securities, depending on the ultimate strength of the economy.

Overall, we believe JRS is well positioned to take advantage of these developments, and that the Fund continues to offer investors opportunities for strong returns and portfolio diversification.

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### NUVEEN REAL ESTATE INCOME FUND

#### Performance

OVERVIEW As of October 31, 2002

JRS

#### PORTFOLIO STATISTICS

Share Price	\$14.40
Common Share Net Asset Value	\$13.56

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Net Assets Attributable to  
Common Shares (\$000) \$381,290

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TOP 5 COMMON STOCK HOLDINGS % OF TOTAL INVESTMENTS

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Mack-Cali Realty Corporation	7.0%
HRPT Properties Trust	5.1%
The Macerich Company	4.9%
First Industrial Realty Trust, Inc.	4.3%
Arden Realty, Inc.	3.8%

---

TOP 5 PREFERRED STOCK HOLDINGS % OF TOTAL INVESTMENTS

---

Crescent Real Estate Equities Company	8.0%
Apartment Investment & Management Company	5.5%
Federal Realty Investment Trust	5.1%
Home Properties of New York, Inc.	4.5%
CarrAmerica Realty Corp.	3.5%

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TOP 5 SECTORS % OF TOTAL INVESTMENTS

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Office	37.5%
Retail	25.1%
Multifamily	13.9%
Healthcare	9.9%
Industrial	6.6%

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CUMULATIVE TOTAL RETURN  
SINCE INCEPTION

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	Market	NAV
Since 11/15/01	3.30%	2.09%

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Bar Chart:  
2002 Monthly Dividends Per Share  
Jan 02 0.1125

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Feb 02	0.1125
Mar 02	0.1125
Apr 02	0.1125
May 02	0.1125
Jun 02	0.1125
Jul 02	0.1125
Aug 02	0.1125
Sep 02	0.115
Oct 02	0.115

Line Chart:

Share Price Performance

Weekly Closing Price

Past performance is not predictive of future results.

11/16/01	15.25
	15.07
	15.09
	15.14
	15.01
	15.05
	15.13
	15.06
	15.16
	15.13
	15.06
	15.12
	15.34
	15.1
	14.92
	15.2
	15.4
	15.47
	15.34
	15.66
	15.75
	15.8
	15.99
	15.98
	15.96
	16
	15.9
	15.84
	16
	16.02
	16.16
	16.18
	16.02
	16.14
	15.85
	15.05
	14.99
	15.53
	15.52
	15.85
	15.62
	16
	16.2
	16.13
	15.85
	15.92
	15.78



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10/31/02 14.45  
 14.69  
 14.31

Shareholder  
 MEETING REPORT

The annual shareholder meeting was held on July 24, 2002, at the Northern Trust Bank, Chicago, Illinois.

	Common Shares	Preferred Shares Series - M	Preferred Shares Series - JRS
APPROVAL OF NEW SUB-ADVISORY AGREEMENT			
For	27,147,936	1,688	1,688
Against	224,369	1	1
Abstain	351,005	27	27
Total	27,723,310	1,716	1,716

Report of  
 INDEPENDENT AUDITORS

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 as of October 31, 2002, and the related statement of operations, changes in net assets and the financial highlights for the period November 15, 2001 (commencement of operations) through October 31, 2002. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included

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confirmation of investments owned as of October 31, 2002, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 October 31, 2002, and the results of its operations, changes in its net assets and financial highlights for the period November 15, 2001 (commencement of operations) through October 31, 2002 in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP  
Ernst & Young LLP

Chicago, Illinois  
December 11, 2002

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Nuveen Real Estate Income Fund (JRS)  
Portfolio of  
INVESTMENTS October 31, 2002

SHARES	DESCRIPTION(1)
-----	
	COMMON STOCKS - 75.6% (51.4% OF TOTAL INVESTMENTS)
	HEALTHCARE - 13.6%
371,200	Health Care Property Investors, Inc.
1,054,600	Nationwide Health Properties, Inc.
1,740,300	Senior Housing Properties Trust
-----	
	INDUSTRIAL - 6.3%
890,400	First Industrial Realty Trust, Inc.
-----	
	MULTIFAMILY - 4.3%
189,800	Amlı Residential Properties Trust
137,000	Avalonbay Communities, Inc.
320,700	Gables Residential Trust
-----	
	OFFICE - 28.6%
1,000,800	Arden Realty, Inc.
822,500	Brandywine Realty Trust
114,900	Highwoods Properties, Inc.
3,658,900	HRPT Properties Trust
1,351,500	Mack-Cali Realty Corporation
52,000	Prentiss Properties Trust

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RETAIL - 22.4%

413,800	Federal Realty Investment Trust
239,100	Glimcher Realty Trust
585,000	Heritage Property Investment Trust
771,700	IRT Property Company
961,500	The Macerich Company
1,159,400	New Plan Excel Realty Trust

STORAGE - 0.4%

56,400	Public Storage, Inc.
--------	----------------------

Total Common Stocks (cost \$298,489,023)

PREFERRED STOCKS - 69.9% (47.4% OF TOTAL INVESTMENTS)

DIVERSIFIED - 0.8%

Colonial Properties Trust:

33,100	Series A, 8.750%
25,100	Series C, 9.250%
31,000	Duke Realty Corporation - Series B, 7.990%

HEALTHCARE - 0.9%

46,530	Health Care Property Investors, Inc. - Series B, 8.700%
32,558	Nationwide Health Properties, Inc. - Series A, 7.677%

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SHARES DESCRIPTION(1)

HOTEL - 7.2%

360,000	Boykin Lodging Company - Series A, 10.500%
141,300	FelCor Lodging Trust Inc. - Series B, 9.000%
600,000	LaSalle Hotel Properties - Series A, 10.250%

INDUSTRIAL - 3.4%

5,000	CenterPoint Properties Corporation - Series A, 8.480%
497,623	PS Business Parks, Inc. - Series F, 8.750%

MULTIFAMILY - 16.2%

Apartment Investment & Management Company:

91,600	Series G, 9.375%
59,400	Series H, 9.500%
225,600	Series P (Convertible), 9.000%
51,050	Series Q, 10.100%

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803,500	Series R, 10.000%
40,000	Avalonbay Communities, Inc - Series D, 8.000%
970,000	Home Properties of New York, Inc. - Series F, 9.000%
60,000	Post Properties, Inc. - Series A, 8.500%
51,300	United Dominion Realty Trust, Inc. - Series B, 8.600%

-----  
OFFICE - 26.4%

233,300	Alexandria Real Estate Equities, Inc. - Series B, 9.100%
	CarrAmerica Realty Corp.:
274,782	Series B, 8.570%
503,800	Series C, 8.550%
	Crescent Real Estate Equities Company:
835,100	Series A (Convertible), 6.750%
1,200,000	Series B, 9.500%
136,500	Glenborough Realty Trust Incorporated - Series A (Convertible), 7.750%
	Highwoods Properties, Inc.:
12,141	Series A, 8.625%
33,600	Series B, 8.000%
	HRPT Properties Trust:
174,900	Series A, 9.875%
325,000	Series B, 8.750%
92,881	Parkway Properties, Inc. - Series A, 8.750%

-----  
RETAIL - 14.6%

180,000	CBL & Associates Properties, Inc. - Series B, 8.750%
	Developers Diversified Realty Corporation:
49,000	Series C, 8.375%
96,200	Series F, 8.600%
1,150,000	Federal Realty Investment Trust - Series B, 8.500%
237,300	Glimcher Realty Trust - Series B, 9.250%
	New Plan Excel Realty Trust:
99,100	Series B, 8.625%
21,000	Series D, 7.800%
50,000	Simon Property Group, Inc. - Series B (Convertible), 6.500%
24,500	Taubman Centers, Inc. - Series A, 8.300%

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Nuveen Real Estate Income Fund (JRS) (continued)  
Portfolio of INVESTMENTS October 31, 2002

SHARES	DESCRIPTION(1)
--------	----------------

-----

STORAGE - 0.4%

	Shurgard Storage Centers, Inc.:
30,000	Series C, 8.700%
24,600	Series D, 8.750%

-----  
Total Preferred Stocks (cost \$264,865,515)

-----  
Total Long-Term Investments (cost \$563,354,538) - 145.5%

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PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
	SHORT-TERM INVESTMENTS (COST \$6,762,000) - 1.8% (1.2% OF TOTAL INVESTMENTS)
\$ 6,762 =====	State Street Bank Repurchase Agreement, 1.740%, dated 10/31/02, due 11/01/02, rep \$6,905,450, collateralized by U.S. Treasury Bonds
	-----
	Other Assets Less Liabilities - (2.2)%
	-----
	Taxable Auctioned Preferred Shares, at Liquidation Value - (45.1)%
	-----
	Net Assets Applicable to Common Shares - 100%
	=====

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

See accompanying notes to financial statements.

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Statement of  
ASSETS AND LIABILITIES October 31, 2002

ASSETS

Investments, at market value (cost \$570,116,538)  
Cash  
Receivables:  
    Dividends and interest  
    Investments sold  
Other assets

-----  
Total assets

LIABILITIES

Payable for investments purchased  
Interest rate swaps, at value  
Accrued expenses:  
    Management fees  
    Other  
Taxable Auctioned Preferred share dividends payable

-----  
Total liabilities

-----  
Taxable Auctioned Preferred shares, at liquidation value

-----  
Net assets applicable to Common shares

-----  
Common shares outstanding

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

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

-----  
Common shares, \$.01 par value per share  
Paid-in surplus  
Undistributed (Over-distribution of) net investment income  
Accumulated net realized gain from investment transactions  
Net unrealized appreciation (depreciation) of investments and interest rate swap transactions  
-----  
Net assets applicable to Common shares  
=====

Authorized shares:  
    Common  
    Taxable Auctioned Preferred  
=====

See accompanying notes to financial statements.

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Statement of  
    OPERATIONS For the Period November 15, 2001  
(commencement of operations) through October 31, 2002

-----  
INVESTMENT INCOME

Dividends  
Interest

-----  
Total investment income  
-----

EXPENSES

Management fees  
Net interest expense on interest rate swap transactions  
Taxable Auctioned Preferred shares - auction fees  
Taxable Auctioned Preferred shares - dividend disbursing agent fees  
Shareholders' servicing agent fees and expenses  
Custodian's fees and expenses  
Trustees' fees and expenses  
Professional fees  
Shareholders' reports - printing and mailing expenses  
Stock exchange listing fees  
Investor relations expense  
Other expenses

-----  
Total expenses before custodian fee credit and expense reimbursement  
    Custodian fee credit  
    Expense reimbursement  
-----

Net expenses  
-----

Net investment income  
-----

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REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS  
Net realized gain from investment transactions  
Change in net unrealized appreciation (depreciation) of investments  
Change in net unrealized appreciation (depreciation) of interest rate swap transactions  
-----  
Net gain (loss) from investments  
-----

DISTRIBUTIONS TO TAXABLE AUCTIONED PREFERRED SHAREHOLDERS  
From and in excess of net investment income  
-----  
Net increase in net assets applicable to Common shares from operations  
=====

See accompanying notes to financial statements.

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Statement of  
CHANGES IN NET ASSETS For the Period  
November 15, 2001 (commencement of operations) through October 31, 2002

-----  
OPERATIONS  
Net investment income  
Net realized gain from investment transactions  
Change in net unrealized appreciation (depreciation) of investments  
Change in net unrealized appreciation (depreciation) of interest rate swap transactions  
Distributions to Taxable Auctioned Preferred Shareholders from undistributed net investment income  
-----  
Net increase in net assets applicable to Common shares from operations  
-----

DISTRIBUTIONS TO COMMON SHAREHOLDERS  
From and in excess of net investment income  
-----  
Decrease in net assets applicable to Common shares from distributions to  
Common shareholders  
-----

CAPITAL SHARE TRANSACTIONS  
Common shares:  
Net proceeds from sale of shares  
Net proceeds from shares issued to shareholders due to reinvestment of distributions  
Taxable Auctioned Preferred shares offering costs  
-----

Net increase in net assets applicable to Common shares from capital share transactions  
-----  
Net increase in net assets applicable to Common shares  
Net assets applicable to Common shares at the beginning of period  
-----  
Net assets applicable to Common shares at the end of period  
=====

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

See accompanying notes to financial statements.

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## Notes to FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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

Prior to the commencement of operations, the Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 by Nuveen Institutional Advisory Corp. (the "Adviser"), a wholly owned subsidiary of The John Nuveen Company, and the recording of the organizational expenses (\$15,000) and their reimbursement by Nuveen Investments, also a wholly owned subsidiary of The John Nuveen Company.

The Fund seeks to provide high current income by investing primarily in a portfolio of income-producing common stocks, preferred stocks, convertible preferred stocks and debt securities issued by real estate companies, such as Real Estate Investment Trusts ("REITs").

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

#### Securities Valuation

Securities are valued at the last sales price on the securities exchange or Nasdaq on which such securities are primarily traded. Securities traded on a securities exchange or Nasdaq for which there are no transactions on a given day or securities not listed on a securities exchange or Nasdaq are valued at the mean of the closing bid and asked price. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Trustees of the Fund or its designee may establish a fair value for the security.

Because the Fund may invest a substantial portion of its assets in REITs, the Fund may be subject to certain risks associated with direct investments in REITs. REITs may be affected by changes in value of their underlying properties and by defaults by tenants. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time.

#### Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method.

#### Investment Income

Dividend income is recorded on the ex-dividend date. Interest income is determined on an accrual basis.

#### Income Taxes

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



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### Dividends and Distributions to Common Shareholders

Dividends are declared and paid monthly. Net realized capital gains from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards. A portion of distributions may consist of amounts in excess of net investment income and net capital gains, and will generally be treated by shareholders as a return of capital and would reduce the basis in the shareholder's shares.

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

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### Taxable Auctioned Preferred Shares

The Fund has issued and outstanding 1,720 Series M, 1,720 Series T, 1,720 Series W and 1,720 Series F \$25,000 stated value Taxable Auctioned Preferred shares. The dividend rate on each series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period.

### Interest Rate Swap Transactions

The Fund is authorized to enter into hedging transactions, including interest rate swap transactions. The Fund uses interest rate swaps with the intent to reduce or eliminate the risk that an increase in short-term interest rates could have on Common share net earnings as a result of leverage. Interest rate swaps involve the Fund's agreement with the swap counterparty to pay a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Taxable Auctioned Preferred shares or any variable rate borrowing. The payment obligation is based on the notional amount of the swap. Interest rate swaps do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of credit loss with respect to interest rate swaps is limited to the net amount of interest payments that the Fund is to receive. The Fund has instructed the custodian to segregate assets in a separate account with a current value at least equal to the amount of the Fund's net payment obligations under any interest rate swap transactions. Interest rate swap positions are marked to market daily. Although there are economic advantages of entering into interest rate swap transactions, there are also additional risks. The Fund helps manage the credit risks associated with interest rate swap transactions by entering into agreements only with firms the Adviser believes has the financial resources to honor its obligations, by having the Adviser continually monitor the financial stability of that swap counterparty.

At October 31, 2002, the Fund had open interest rate swap agreements with Citibank NA as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE*	TERMINATION DATE	APPRECIATION (
\$43,000,000	4.0225%	1.8000%	2/06/05	

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43,000,000	4.8000	1.8000	2/06/07
43,000,000	5.1900	1.8000	2/06/09

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\*\*\*\*\*  
\*Based on LIBOR (London Interbank Offered Rate)

### Repurchase Agreements

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

### Custodian Fee Credit

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

### Offering Costs

Nuveen Investments agreed to pay all Common share offering costs (other than the sales load) that exceed \$.03 per Common share. The Fund's share of offering costs (\$843,000) were recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by the Fund in connection with its offering of Taxable Auctioned Preferred shares (\$2,017,208) were recorded as a reduction to paid-in surplus.

### Use of Estimates

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

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## Notes to FINANCIAL STATEMENTS (continued)

### 2. FUND SHARES

During the period November 15, 2001 (commencement of operations) through October 31, 2002, 28,100,000 Common shares and 6,880 Taxable Auctioned Preferred shares were sold. In addition, 2,556 Common shares were issued to shareholders due to reinvestment of distributions during the period November 15, 2001 (commencement of operations) through October 31, 2002.

### 3. SECURITIES TRANSACTIONS

Purchases and sales of investments (excluding short-term investments) during the period November 15, 2001 (commencement of operations) through October 31, 2002, aggregated \$762,288,282 and \$194,952,987, respectively.

### 4. INCOME TAX INFORMATION

The following information is presented on an income tax basis as of October 31,

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2002. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recording income and in recognizing certain gains and losses on security transactions.

Cost of Investments	\$575,258,803

Gross unrealized:	
Appreciation	\$ 11,522,749
Depreciation	(33,971,094)

Net unrealized appreciation (depreciation), including interest rate swap	\$(22,448,345)

The tax components of undistributed net investment income and realized gains at October 31, 2002, are as follows:

Undistributed ordinary income *	\$7,287,912
Undistributed net long-term capital gains	--

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

The tax character of distributions paid during the period ended October 31, 2002, were as follows:

Distributions from ordinary income *	\$31,035,829
Distributions from net long-term capital gains	--

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

The Fund hereby designates as a long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), such amount as will reduce the earnings and profits of the Fund related to net capital gain to zero for the tax year ended October 31, 2002.

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

Under the Fund's investment management agreement with the Adviser, the Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily managed assets of the Fund. "Managed assets" consists of the average daily net assets applicable to Common shares, assets attributable to Taxable Auctioned Preferred Shares and the principal amount of borrowings, if any.

AVERAGE DAILY MANAGED ASSETS	MANAGEMENT FEE
For the first \$500 million	.9000%
For the next \$500 million	.8750
For the next \$500 million	.8500
For the next \$500 million	.8250

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For Managed Assets over \$2 billion .8000

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The Adviser has agreed to waive part of its management fees or reimburse certain expenses of the Fund in an amount equal to .30% of the average daily Managed Assets for the period November 15, 2001 (commencement of operations) through November 30, 2006, .25% of the average daily Managed Assets for the year ended November 30, 2007, .20% of the average daily Managed Assets for the year ended November 30, 2008, .15% of the average daily Managed Assets for the year ended November 30, 2009, .10% of the average daily Managed Assets for the year ended November 30, 2010, and .05% of the average daily Managed Assets for the year ended November 30, 2011. The Adviser has not agreed to reimburse the Fund for any portion of its fees and expenses beyond November 30, 2011.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser has entered into a Sub-Advisory Agreement with Security Capital Research & Management Incorporated ("Security Capital"), under which Security Capital manages the investment portfolio of the Fund. Security Capital is compensated for its services to the Fund from the management fee paid to the Adviser.

The Fund pays no compensation directly to those of its Trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Fund from the Adviser.

### Subadvisor Acquisition

On May 14, 2002, GE Capital Corp., a wholly owned subsidiary of General Electric Co., acquired Security Capital Group Incorporated, the parent company of Security Capital, subadvisor to the Fund. Pursuant to the Investment Company Act of 1940, the change in ownership of Security Capital's parent caused the existing sub-advisory agreement to terminate, and shareholders of the Fund were required to approve a new subadvisor agreement with Security Capital. A special shareholder meeting was held on July 24, 2002, at which shareholders approved the new sub-advisory agreement.

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

The Fund declared a dividend distribution of \$.1150 per Common share which was paid on December 2, 2002, to shareholders of record on November 15, 2002.

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### Financial HIGHLIGHTS

Selected data for a Common share outstanding throughout the period:

			Investment Operations				
					Distributions from Net Investment Income to Taxable Auctioned Preferred Share- holders+	Distributions from Capital Gains to Taxable Auctioned Preferred Share- holders+	Total
Beginning Common Share Net Asset Value	Investment Income	Net Realized/ Unrealized Investment Gain (Loss)			Auctioned Preferred Share- holders+	Auctioned Preferred Share- holders+	Total
=====							

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Year Ended 10/31:

2002 (a) \$14.33 \$1.01 \$(.46) \$(.09) \$-- \$.4

Total Returns

Offering Costs and Taxable Auctioned Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**
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Year Ended 10/31:

2002 (a) \$(.10) \$13.56 \$14.40 3.30% 2.09%

Ratios/Supplemental Data

Ending Net Assets Applicable to Common Shares (000)	Before Credit/Reimbursement		After Credit/Reimbursement	
	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++

Year Ended 10/31:

2002 (a) \$381,290 2.12%\* 6.71%\* 1.72%\* 7.1%

Cumulative Taxable Auctioned Preferred at End of Period

Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
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Year Ended 10/31:

2002 (a) \$172,000 \$25,000 \$80,420

\* Annualized.

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

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

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- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Taxable Auctioned Preferred Shareholders; income ratios reflect income earned on assets attributable to Taxable Auctioned Preferred Shares. Each Ratio of Expenses to Average Net Assets applicable to Common Shares and each Ratio of Net Investment Income to Average Net Assets applicable to Common Shares includes the effect of the net interest expense paid on interest rate swap transactions of 0.68%.
- (a) For the period November 15, 2001 (commencement of operations) through October 31, 2002.

See accompanying notes to financial statements.

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### Trustees AND OFFICERS

The management of the Funds, including general supervision of the duties performed for the Funds under the Management Agreement, is the responsibility of the Board of Trustees of the Funds. The number of directors/trustees of the Funds is currently set at seven, one of whom is an "interested person" (as the term is defined in the Investment Company Act of 1940) and six of whom are not interested persons. None of the trustees who are not interested persons of the Funds have 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, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED AND TERM OF OFFICE	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
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TRUSTEE WHO IS AN INTERESTED PERSON OF THE FUNDS:

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TIMOTHY R. SCHWERTFEGER (1) 3/28/1949 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Director/Trustee	2001 (Inception) Term: one year (2)	Chairman and Director (since 1 Nuveen Company, Nuveen Investm Advisory Corp. and Nuveen Inst Corp.; Chairman and Director ( Nuveen Asset Management Inc.; 1996) of Institutional Capital Chairman and Director (since 1 Financial Services Inc.
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TRUSTEES WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

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JAMES E. BACON 2/27/1931 333 W. Wacker Drive Chicago, IL 60606	Trustee	2001 (Inception) Term: one year (2)	Treasurer (1997-present), Cath John the Divine (New York City (1992-1999), Director of Lone Inc.; previously, Director and President of U.S. Trust Corpor of United States Trust Company
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WILLIAM E. BENNETT 10/16/1946 333 W. Wacker Drive Chicago, IL 60606	Trustee	2001 (Inception) Term: one year (2)	Private Investor; previously, Chief Executive Officer, Drape (September 1995 - August 1998)
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JACK B. EVANS 10/22/1948 333 W. Wacker Drive Chicago, IL 60606	Trustee	2001 (Inception) Term: one year (2)	President, The Hall-Perrine Fo private philanthropic corporat Director, Federal Reserve Bank Director, Alliant Energy; Dire Chairman United Fire & Casualt formerly President and Chief O SCI Financial Group, Inc., a r services firm.
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WILLIAM L. KISSICK 7/29/1932 333 W. Wacker Drive Chicago, IL 60606	Trustee	2001 (Inception) Term: one year (2)	Emeritus Professor, School of Wharton School of Management a Chairman, Leonard Davis Instit Economics, University of Penns Professor, Health Policy and M University.
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THOMAS E. LEAFSTRAND 11/11/1931 333 W. Wacker Drive Chicago, IL 60606	Trustee	2001 (Inception) Term: one year (2)	Retired; previously, Vice Pres of Municipal Underwriting and The Northern Trust Company.
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SHEILA W. WELLINGTON 2/24/1932 333 W. Wacker Drive Chicago, IL 60606	Trustee	2001 (Inception) Term: one year (2)	President (since 1993) of Cata not-for-profit organization fo leadership development in busi professions).
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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
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OFFICERS OF THE FUNDS:

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MICHAEL T. ATKINSON 2/3/1966 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since January Assistant Vice President (sinc previously, Associate of Nuveen
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PETER H. D'ARRIGO 11/28/1967 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	2001	Vice President of Nuveen Invest 1999), prior thereto, Assistant (from 1997); Chartered Financi
SUSAN M. DESANTO 9/8/1954 333 W. Wacker Drive Chicago, IL 60606	Vice President	2001	Vice President of Nuveen Advis 2001); previously, Vice Presid Investment Advisory Corp. (sin thereto, Assistant Vice Presid Investment Advisory Corp.
JESSICA R. DROEGER 9/24/1964 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	2002	Vice President (since January General Counsel and Assistant 1998), formerly Assistant Vice Nuveen Investments; Vice Presi 2002) and Assistant Secretary formerly Assistant Vice Presid Advisory Corp. and Nuveen Inst Corp.; prior thereto, Associat D'Ancona Partners LLC.
LORNA C. FERGUSON 10/24/1945 333 W. Wacker Drive Chicago, IL 60606	Vice President	2001	Vice President of Nuveen Inves President (since 1998) of Nuve and Nuveen Institutional Advis
WILLIAM M. FITZGERALD 3/2/1964 333 W. Wacker Drive Chicago, IL 60606	Vice President	2001	Managing Director (since Janua Nuveen Investments; Managing D Advisory Corp. and Nuveen Inst Corp. (since 2001); prior ther President of Nuveen Advisory C Financial Analyst.
STEPHEN D. FOY 5/31/1954 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	2001	Vice President of Nuveen Inves (since 1998) The John Nuveen C Certified Public Accountant.
DAVID J. LAMB 3/22/1963 333 W. Wacker Drive Chicago, IL 60606	Vice President	2001	Vice President (since 2000) of Investments, previously Assist (since 1999); prior thereto, A Investments; Certified Public
TINA M. LAZAR 8/27/1961 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Vice President (since 1999), p Assistant Vice President (sinc Nuveen Investments.



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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUND	YEAR FIRST ELECTED OR APPOINTED (3)	PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS
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OFFICERS OF THE FUNDS (CONTINUED):

LARRY W. MARTIN 7/27/1951 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2001	Vice President, Assistant Secretary, Assistant General Counsel of Nuveen Investments; Vice President and Secretary of Nuveen Advisory Company Institutional Advisory Corp.; Assistant Secretary of The John Hancock Company and Nuveen Asset Management
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EDWARD F. NEILD, IV 7/7/1965 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Managing Director (since January 2002) Nuveen Investments; Managing Director (since 1997) of Nuveen Advisory Company Nuveen Institutional Advisory Company Financial Analyst.
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GIFFORD R. ZIMMERMAN 9/9/1956 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	2002	Managing Director (since January 2002, formerly Vice President), Assistant Secretary and Associate General Counsel (formerly Assistant General Counsel) of Nuveen Investments; Managing Director of Nuveen January 2002, formerly Vice President and Assistant Secretary of Nuveen Advisory Company and Nuveen Institutional Advisory Company President and Assistant Secretary of Nuveen Nuveen Company; Chartered Financial Analyst
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- (1) Mr. Schwertfeger is an "interested person" of the Fund, as defined in the Investment Company Act of 1940, because he is an officer and director of Nuveen Institutional Advisory Corp.
- (2) Trustees are elected each year by shareholders and serve a one year term until his/her successor is elected.
- (3) Officers serve one year terms through July of each year.

Build Your Wealth  
AUTOMATICALLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

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

FLEXIBILITY

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

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

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

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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### Fund INFORMATION

#### BOARD OF TRUSTEES

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

#### FUND MANAGER

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

#### CUSTODIAN

State Street Bank & Trust  
Boston, MA

#### TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071

(800) 257-8787

#### LEGAL COUNSEL

Chapman and Cutler  
Chicago, IL

#### INDEPENDENT AUDITORS

Ernst & Young LLP  
Chicago, IL

#### CHANGE OF INDEPENDENT ACCOUNTANTS

On May 15, 2002, Arthur Andersen LLP ("Arthur Andersen") resigned as independent accountants for the Nuveen Real Estate Income Fund (the "Fund"). Arthur Andersen's report for the Fund's financial statements for the period ended October 29, 2001, did not contain an adverse opinion or disclaimer of opinion and was not qualified as to uncertainty, audit scope or accounting principles.

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In addition there have not been any disagreements with Arthur Andersen during the Fund's most recent fiscal year on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Arthur Andersen, would have caused it to make a reference to the subject matter of the disagreement in connection with its reports. The Fund's Board of Trustees appointed Ernst & Young LLP as independent accountants for the fiscal year ended 2002.

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The Fund intends to repurchase shares of its own common stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period ended October 31, 2002. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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Serving Investors  
FOR GENERATIONS

PHOTO OF: John Nuveen, Sr.

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

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

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

Logo: NUVEEN Investments

Nuveen Investments o 333 West Wacker Drive  
Chicago, IL 60606 o [www.nuveen.com](http://www.nuveen.com)

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