NUVEEN REAL ESTATE INCOME FUND
Form N-CSR
March 10, 2010

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, 2009

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
High Current Income from a Portfolio of Commercial Real Estate Investments

Annual Report
December 31, 2009

Nuveen Real Estate
Income Fund
JRS

Chairman s
Letter to Shareholders

Dear Shareholder,

The financial markets in which your Fund operates continue to reflect the larger economic crosscurrents. The illiquidity that infected global credit markets over the last year continues to recede but there is concern about the impact of a reduction in official liquidity support programs. The major institutions that are the linchpin of the international financial system have strengthened their capital structures, but many still struggle with losses in their various portfolios. Global trends include increasing trade and concern about the ability of the U.S. government to address its substantial budgetary deficits.

While the fixed-income and equity markets have recovered from the lows recorded in late 2008 and early 2009, identifying those developments that will define the future is never easy, and rarely is it more difficult than at present. A fundamental component of a successful investment program is a commitment to remain focused on long-term investment goals even during periods of heightened market uncertainty. Another component is to re-evaluate investment disciplines and tactics and to confirm their validity following periods of extreme volatility and market dislocation, such as we have recently experienced. Your Board carried out an intensive review of investment performance with these objectives in mind during April and May of 2009 as part of the annual management contract renewal process. I encourage you to read the description of this process in the Annual Investment Management Agreement Approval Process section of this report. Confirming the appropriateness of a long term investment strategy is as important for our shareholders as it is for our professional investment managers. For that reason, I again encourage you to remain in communication with your financial consultant on this subject.

In September 2009, Nuveen completed the refinancing at par of all the auction rate preferred shares (ARPS) issued by its taxable closed-end funds. On October 15, 2009, Nuveen announced the first successful offering of an issue of MuniFund Term Preferred Shares. This new form of preferred securities joins the Variable Rate Demand Preferred securities as vehicles for refinancing existing municipal fund ARPS. By the beginning of December 2009, six of the leveraged municipal closed-end funds had redeemed all of their outstanding ARPS. Nuveen remains committed to resolving the issues connected with outstanding auction rate preferred shares. Please consult the Nuveen web site for the most recent information on this issue and all recent developments on your Nuveen Funds at: www.nuveen.com.

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

Sincerely,
Robert P. Bremner
Chairman of the Board and Lead Independent Director
February 22, 2010

Portfolio Managers Comments

Nuveen Real Estate Income Fund (JRS)

The Nuveen Real Estate Income Fund (JRS) is managed by a team of real estate investment professionals at Security Capital Research & Management, Incorporated, a wholly-owned subsidiary of JPMorgan Chase & Co. Anthony R. Manno Jr., Kenneth D. Statz and Kevin Bedell, who each have more than 22 years of experience in managing real estate investments, lead the team. Here they talk about general economic and market conditions, their management strategy and performance of the Fund over the twelve-month period ended December 31, 2009.

What were the general market conditions for the twelve-month period ending December 31, 2009?

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.

The general market conditions during this period were among the most fluctuating and challenging on record. The financial crisis that began to accelerate in the last half of 2008 was in full force by the first quarter of 2009. For the first time since the 1930s, the United States, United Kingdom, Germany and Japan experienced recessions simultaneously.

In response, the U.S. government enacted a $787 billion economic stimulus plan early in 2009, and provided additional funds for large financial institutions under the Troubled Asset Relief Program (TARP) started in 2008. The Federal Reserve maintained a fed funds target range of zero to 0.25%, its lowest level in history. In addition, the Fed announced in March that it would buy $300 billion in long-term U.S. Treasury securities in an effort to support private credit markets and up to an additional $750 billion (for a total of $1.25 trillion) in agency mortgage-backed securities to bolster the housing market. The government also took steps to prevent the collapse of the American auto industry.

By the second quarter of 2009, some positive signals began to emerge. Most major banks seemed to have raised sufficient capital to survive in the downturn, with several of them even appearing to thrive. Domestic equity markets, as measured by the Standard & Poor s (S&P) 500 Stock Index, rocketed up from the lows experienced in March. Bond investors seemed more willing to hold municipal and corporate securities, causing the pricing relationships between these issues and U.S. Treasury securities to adjust toward historical norms.

For the full year, the S&P 500 Index posted a return of 26.46%, with most major bond indexes also showing positive performance. However, the unemployment rate at year end was 10% and the general credit markets were still constricted, suggesting that the road to full recovery would not be quick or easy.

Rebounding from March lows, pricing for Real Estate Investment Trust (REIT) common equity and fixed-income securities surged in the last three quarters of 2009 in response

to active initiatives to improve balance sheets by issuing equity, some initial thawing in the public credit markets and hopeful early signals for a rebound in the U.S. economy. However, these positives were counterbalanced to a degree by continued weakness in real estate operating conditions and ongoing financing challenges.

Against a backdrop of declining rents and occupancy levels, the threshold challenge for owners and operators of commercial real estate continued to be reducing and refinancing debt. For public real estate companies, though, the capital markets offered unique opportunities in 2009 and trended markedly positive as the year progressed. This was evident in rebounding stock prices, narrowing borrowing costs and, perhaps most noteworthy, a growing list of completed and on-deck IPOs.

What key strategies were used to manage the Fund during this reporting period?

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. In managing JRS, we seek 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. Across all real estate sectors, we favored companies with properties located in the strongest urban locations. These high barrier to entry markets are defined by constraints that limit new construction, a quality that over the long term has the potential to provide superior value enhancement and a real inflation hedge.

The severe deterioration in credit markets in late 2008 and early 2009 required an equally strong reappraisal of the financial flexibility of each company in which we invest. As the credit environment changed, we adjusted the portfolio away from companies that we believed were not as well positioned in the current tough environment. The portfolio also continued to acquire preferred securities. REIT perpetual preferred securities have a priority position over common equity securities in the payment of their dividends. Preferred dividend obligations also are cumulative, meaning that any deferral in payment must be made up before common share dividends can be paid. These features often make the income and principal value of these preferred securities more stable relative to common shares during periods of economic distress.

As of December 31, 2009, the portfolio allocations were 55.3% in REIT common stocks, 38.2% in REIT preferred stocks, 4.4% in convertible bonds, 0.3% in corporate bonds and 1.8% in cash equivalents.

How did the Fund perform over this twelve-month period?

The performance of JRS, as well as that of a comparative benchmark and two indexes, is presented in the accompanying table.

Average Annual Total Return on Common Share Net Asset Value
For periods ended 12/31/09

	1-Year	**5-Year**
JRS	46.80%	-8.82%
Specialized Real Estate Securities Benchmark[1]	44.90%	1.99%
Wilshire U.S. Real Estate Securities Index[2]	29.20%	-0.23%
S&P 500 Stock Index[3]	26.46%	0.42%

For the twelve-month period ended December 31, 2009, the total return on common share net asset value for the Fund outperformed both the comparative benchmark and the indexes.

The generally favorable market conditions during the second, third and fourth quarters of 2009, augmented by the Fund s leveraged capital structure, provided the primary catalyst for the Fund s strong 2009 performance. Also, the Fund benefited from its allocation to preferred securities, which performed very well in a very volatile period due to their defensive position within the issuer s capital structure. In addition, our exposure to the equity securities of companies that reduced balance sheet leverage by issuing significant new equity resulted in especially strong return as the market rebounded later in the year.

Past performance does not guarantee future results. Current performance may be higher or lower than the data shown.

Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. For additional information, see the Performance Overview page in this report.

1. The comparative benchmark is based on the preferred stock and highest 50% yielding (based on market capitalization) common stock securities in the SNL Financial LC real estate database through 6/30/2007. Beginning in July 2007, the benchmark is based on preferred and all common stocks in the database. Returns are computed from this database by a third party provider.

2. The Wilshire U.S. Real Estate Securities Index is an unmanaged index comprised of common shares of publicly-traded REITs and other real estate operating companies. Index returns do not include the effects of any sales charges or management fees. It is not possible to invest directly in an index.

3. The S&P 500 Index is an unmanaged Index generally considered representative of the U.S. Stock Market. Index returns do not include the effects of any sales charges or management fees. It is not possible to invest directly in an index.

The Fund s overall defensive posture, which worked especially well in the Fund s allocation to preferred securities, was not equally positive for the performance of common equities issued by relative strong companies. Stock performance for companies with the best balance sheets tended to lag as the markets rebounded sharply from the lows reached in the first quarter.

IMPACT OF THE FUND S CAPITAL STRUCTURES AND LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the Fund s return in 2009 relative to the comparative indexes and benchmark was the Fund s use of financial leverage. The Fund uses leverage because its managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value 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 portfolio holdings generally are rising.

Leverage made a significant positive contribution to the Fund s return in 2009. In contrast, the Fund s leveraged structure was a main reason for its relative underperformance over the five-year period shown above.

RECENT DEVELOPMENTS REGARDING THE FUND S LEVERAGED CAPITAL STRUCTURES

Shortly after its inception, the Fund issued auction rate preferred shares (Taxable Auctioned Preferred) to create financial leverage. As noted in the last several shareholder reports, the auction rate preferred shares issued by many closed-end funds, including this Fund, have been hampered by a lack of liquidity since February 2008. Since that time, more auction rate preferred shares have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. This means that these auctions have failed to clear, and that many, or all, of the auction rate preferred shareholders who wanted to sell their shares in these auctions were unable to do so. This decline in liquidity in auction rate preferred shares did not lower the credit quality of these shares, and auction rate preferred shareholders unable to sell their shares received distributions at the maximum rate applicable to failed auctions, as calculated in accordance with the pre-established terms of the auction rate preferred shares.

One continuing implication for common shareholders of the Fund from the auction failures is that the Fund s cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, the Fund s common share earnings likely have been incrementally lower at times than they otherwise might have been.

Beginning in the summer of 2008, the Fund announced its intention to redeem most or all of its auction rate preferred shares and retain its leveraged structure primarily through the use of bank borrowings. Leveraging using bank borrowings offers common shareholders most of the same benefits and risks of leveraging with auction rate preferred shares.

As of December 31, 2009, the Fund had redeemed all of its outstanding auction rate preferred shares.

For additional information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: http://www.nuveen.com/arps.

Common Share Distribution
and Share Price Information

The following information regarding your Fund s distributions is current as of December 31, 2009, and likely will vary over time based on the Fund s investment activities and portfolio investment value changes.

Over the course of 2009, the Fund reduced its quarterly distribution to common shareholders during March and again in June. Some of the important factors affecting the amount and composition of these distributions are summarized below.

During the twelve-month period, the Fund employed financial leverage through the use of Taxable Auctioned Preferred shares and/or bank borrowings. Financial leverage provides the potential for higher earnings (net investment income), total returns and distributions over time, but as noted earlier also increases the variability of common shareholders net asset value per share in response to changing market conditions. During the current reporting period, the Fund s financial leverage contributed positively to common share income and common share net asset value price return.

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. Over both the last five years and the life of the Fund, the Fund s distribution rate has substantially exceeded its actual total returns.

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.

The following table provides information regarding the Fund s common share distributions and total return performance for the fiscal year ended December 31, 2009. This information is intended to help you better understand whether the Fund s returns for the specified time period were sufficient to meet the Fund s distributions.

4 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, 2009 and December 31, 2008.

As of 12/31/09 (Common Shares)	**JRS**
Inception date	11/15/01
Calendar year ended December 31, 2009:	
Per share distribution:	
From net investment income	$0.41
From long-term capital gains	0.00
From short-term capital gains	0.00
Tax return of capital	0.52
Total per share distribution	$0.93
Distribution rate on NAV	11.48%
Average annual total returns:	
Excluding retained gain tax credit/refund[4]:	
1-Year on NAV	46.80%
5-Year on NAV	-8.82%
Since inception on NAV	3.01%
Including retained gain tax credit/refund[4]:	
1-Year on NAV	46.80%
5-Year on NAV	-6.19%
Since inception on NAV	4.82%

Common Share Repurchases and Share Price Information

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

As of December 31, 2009, the Fund was trading at a -0.25% discount to its common share net asset value, compared with an average discount of -1.47% for the twelve-month period.

JRS
Performance
OVERVIEW

Nuveen Real Estate
Income Fund

as of December 31, 2009

Fund Snapshot	
Common Share Price	$8.08
Common Share Net Asset Value	$8.10
Premium/(Discount) to NAV	0.25%
Current Distribution Rate[1]	10.89%
Net Assets Applicable to Common Shares ($000)	$230,325

Industries (as a % of total investments)	
Specialized	25.8%
Office	21.8%
Residential	19.4%
Retail	17.4%
Diversified	8.8%
Industrial	5.0%
Short-Term Investments	1.8%

Top Five Common Stock Issuers (as a % of total investments)	
Boston Properties, Inc.	4.9%
Simon Property Group, Inc.	4.5%
Health Care Property Investors Inc.	3.9%
AMB Property Corp.	3.5%

Public Storage, Inc.	3.2%

Top Five Preferred Stock Issuers
(as a % of total investments)

Apartment Investment & Management Company	5.3%
Duke-Weeks Realty Corporation	4.7%
Hospitality Properties Trust	4.4%
Highwoods Properties, Inc.	4.2%
PS Business Parks, Inc.	3.2%

Average Annual Total Return
(Inception 11/15/01)

	On Share Price	**On NAV**
1-Year	87.05%	46.80%
5-Year	6.55%	8.82%
Since Inception	3.01%	3.01%

Average Annual Total Return[2]
(Including retained gain tax credit/refund)

	On Share Price	**On NAV**
1-Year	87.05%	46.80%
5-Year	3.94%	6.19%
Since Inception	4.77%	4.82%

Portfolio Allocation (as a % of total investments)

2008-2009 Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

1 Current Distribution Rate is based on the Fund s current annualized quarterly distribution divided by the Fund s current market price. REIT distributions received by the Fund are generally comprised of investment income, long-term and short-term capital gains and a REIT return of capital. 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 calendar 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.

2 As previously explained in the Common Share Distribution and Share Price 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, 2009 and December 31, 2008.

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, 2009, 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, 2009, by correspondence with the custodian. 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, 2009, the results of its operations and 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 financial highlights for each of the five years in the period then ended in conformity with US generally accepted accounting principles.

Chicago, Illinois
February 24, 2010

JRS Nuveen Real Estate Income Fund
Portfolio of INVESTMENTS

December 31, 2009

Shares	Description (1)		Value
	Real Estate Investment Trust Common Stocks 70.4% (55.3% of Total Investments)		
	Diversified 3.6%		
103,650	Liberty Property Trust	$	3,317,837
70,881	Vornado Realty Trust		4,957,417
	Total Diversified		8,275,254
	Industrial 4.4%		
398,650	AMB Property Corp.		10,185,507
	Office 11.0%		
215,050	Boston Properties, Inc.		14,423,402
101,650	Corporate Office Properties		3,723,440
292,700	Douglas Emmett Inc.		4,170,975
87,100	Mack-Cali Realty Corporation		3,011,047
	Total Office		25,328,864
	Residential 15.5%		
508,800	Apartment Investment & Management Company, Class A		8,100,096
84,488	AvalonBay Communities, Inc.		6,937,310
239,200	Equity Residential		8,080,176
110,350	Essex Property Trust Inc.		9,230,778
167,750	Post Properties, Inc.		3,287,900
	Total Residential		35,636,260
	Retail 16.2%		
98,600	Federal Realty Investment Trust		6,677,192

156,368	Macerich Company		5,621,430
75,000	Saul Centers Inc.		2,457,000
163,769	Simon Property Group, Inc.		13,068,765
262,700	Taubman Centers Inc.		9,433,557
	Total Retail		37,257,944
	Specialized 19.7%		
370,750	Extra Space Storage Inc.		4,282,163
370,200	Health Care Property Investors Inc.		11,305,908
727,825	Host Hotels & Resorts Inc.		8,493,718
116,200	Public Storage, Inc.		9,464,490
355,800	Senior Housing Properties Trust		7,781,346
92,550	Ventas Inc.		4,048,137
	Total Specialized		45,375,762
	Total Real Estate Investment Trust Common Stocks (cost $137,339,155)		**162,059,591**

Shares	**Description (1)**	**Coupon**	**Value**
	Real Estate Investment Trust Preferred Stocks 48.6% (38.2% of Total Investments)		
	Diversified 7.6%		
400,000	PS Business Parks, Inc., Series O	7.375%	$ 9,342,000
195,840	Vornado Realty Trust, Series G	6.625%	4,239,936
75,200	Vornado Realty Trust, Series H	6.750%	1,673,200
102,000	Vornado Realty Trust, Series I	6.625%	2,248,080
	Total Diversified		17,503,216
	Industrial 2.0%		
211,000	AMB Property Corporation, Series P	6.850%	4,642,000
	Office 14.6%		
679,942	Duke-Weeks Realty Corporation	6.950%	13,721,229
12,141	Highwoods Properties, Inc., Series A	8.625%	12,166,799
81,000	HRPT Properties Trust, Series C	7.125%	1,649,160
336,678	Lexington Realty Trust	7.550%	6,127,540
	Total Office		33,664,728

Shares	Description (1)	Coupon	Value
	Residential 9.2%		
511,100	Apartment Investment & Management Company, Series U	7.750%	$ 11,397,530
179,300	Apartment Investment & Management Company, Series Y	7.875%	4,010,941
253,325	BRE Properties, Series D	6.750%	5,699,813
	Total Residential		21,108,284
	Retail 2.5%		
152,800	Saul Centers, Inc.	8.000%	3,674,840
97,800	Weingarten Realty Trust	6.500%	2,029,350
	Total Retail		5,704,190
	Specialized 12.7%		
103,300	Hersha Hospitality Trust, Series A	8.000%	2,014,350
611,000	Hospitality Properties Trust, Series C	7.000%	12,989,859
239,785	Public Storage, Inc., Series I	7.250%	6,114,518
76,462	Public Storage, Inc., Series K	7.250%	1,919,196
271,452	Sunstone Hotel Investors Inc., Series A	8.000%	6,284,115
	Total Specialized		29,322,038
	Total Real Estate Investment Trust Preferred Stocks (cost $114,494,302)		**111,944,456**

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Convertible Bonds 5.6% (4.4% of Total Investments)				
	Office 2.1%				
$ 3,000	Alexandria Real Estate Equities Inc., Convertible Bonds, 144A	3.700%	1/15/27	N/R	$ 2,850,000
2,100	BioMed Realty L.P., Convertible Bond, 144A	4.500%	10/01/26	N/R	2,097,375
5,100	Total Office				4,947,375

	Retail 3.5%					
8,500	Macerich Company, Convertible Bond, 144A	3.250%	3/15/12	N/R		7,990,000
$ 13,600	**Total Convertible Bonds (cost $10,784,230)**					**12,937,375**

Principal Amount (000)	**Description (1)**	**Coupon**	**Maturity**	**Ratings (2)**		**Value**
	Corporate Bonds 0.3% (0.3% of Total Investments)					
	Specialized 0.3%					
$ 800	Senior Housing Properties Trust	7.875%	4/15/15	BBB	$	790,000
	Total Corporate Bonds (cost $752,474)					**790,000**

Principal Amount (000)	**Description (1)**	**Coupon**	**Maturity**		**Value**
	Short-Term Investments 2.3% (1.8% of Total Investments)				
$ 5,255	Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/31/09, repurchase price $5,255,456, collateralized by $5,405,000 U.S. Treasury Notes, 3.250%, due 12/31/16, value $5,364,463	0.000%	1/04/10	$	5,255,456
	Total Short-Term Investments (cost $5,255,456)				**5,255,456**
	Total Investments (cost $268,625,617) 127.2%				**292,986,878**
	Borrowings (28.1)%(3)(4)				**(64,710,000)**
	Other Assets Less Liabilities 0.9%				**2,048,025**
	Net Assets Applicable to Common Shares 100%				**$ 230,324,903**

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

(2) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor s Group (Standard & Poor s) or Moody s Investor Service, Inc.

(Moody s) rating. Ratings below BBB by Standard & Poor s or Baa by Moody s are considered to be below investment grade.

(3) Borrowings as a percentage of Total Investments is 22.1%.

(4) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of December 31, 2009, investments with a value of $142,536,985 have been pledged as collateral for Borrowings.

N/R Not rated.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

See accompanying notes to financial statements.

Statement of
ASSETS & LIABILITIES

December 31, 2009

Assets	
Investments, at value (cost $268,625,617)	$ 292,986,878
Receivables:	
Dividends	1,767,654
Interest	169,382
Investments sold	269,136
Other assets	225,131
Total assets	295,418,181
Liabilities	
Borrowings	64,710,000
Accrued expenses:	
Interest on borrowings	6,903
Management fees	194,927
Other	181,448
Total liabilities	65,093,278
Net assets applicable to Common shares	$ 230,324,903
Common shares outstanding	28,427,014
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	$ 8.10
Net assets applicable to Common shares consist of:	
Common shares, $.01 par value per share	$ 284,270
Paid-in surplus	438,466,027
Undistributed (Over-distribution of) net investment income	(196,454)
Accumulated net realized gain (loss) from investments, foreign currency and derivative transactions	(232,590,201)
Net unrealized appreciation (depreciation) of investments	24,361,261
Net assets applicable to Common shares	$ 230,324,903
Authorized shares:	
Common	Unlimited
Taxable Auctioned Preferred	Unlimited

See accompanying notes to financial statements.

Statement of
OPERATIONS

	Year Ended December 31, 2009
Investment Income	
Dividends	$ 13,762,524
Interest	845,055
Total investment income	14,607,579
Expenses	
Management fees	2,003,551
Taxable Auctioned Preferred shares auction fees	30,995
Taxable Auctioned Preferred shares dividend disbursing agent fees	25,490
Shareholders servicing agent fees and expenses	3,782
Interest expense on borrowings	557,391
Custodian s fees and expenses	31,438
Trustees fees and expenses	6,065
Professional fees	47,755
Shareholders reports printing and mailing expenses	116,696
Stock exchange listing fees	3,998
Investor relations expense	70,862
Other expenses	28,636
Total expenses before custodian fee credit and expense reimbursement	2,926,659
Custodian fee credit	(15)
Expense reimbursement	(323,421)
Net expenses	2,603,223
Net investment income	12,004,356
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments and foreign currency	(152,518,403)
Interest rate swaps	(291,037)
Change in net unrealized appreciation (depreciation) of:	
Investments and foreign currency	213,641,005
Interest rate swaps	279,791
Net realized and unrealized gain (loss)	61,111,356
Distributions to Taxable Auctioned Preferred Shareholders	
From net investment income	(61,147)

Decrease in net assets applicable to Common shares from distributions to Taxable Auctioned Preferred shareholders	(61,147)
Net increase (decrease) in net assets applicable to Common shares from operations	$ 73,054,565

See accompanying notes to financial statements.

Statement of
CHANGES IN NET ASSETS

	Year Ended 12/31/09	Year Ended 12/31/08
Operations		
Net investment income	$ 12,004,356	$ 21,148,888
Net realized gain (loss) from:		
Investments and foreign currency	(152,518,403)	(80,155,067)
Interest rate swaps	(291,037)	(902,083)
Change in net unrealized appreciation (depreciation) of:		
Investments and foreign currency	213,641,005	(179,287,642)
Interest rate swaps	279,791	300,628
Distributions to Taxable Auctioned Preferred shareholders:		
From net investment income	(61,147)	(4,451,172)
Net increase (decrease) in net assets applicable to Common shares from operations	73,054,565	(243,346,448)
Distributions to Common Shareholders		
From net investment income	(11,527,437)	(15,811,666)
Tax return of capital	(14,866,143)	(35,002,669)
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(26,393,580)	(50,814,335)
Capital Share Transactions		
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	495,542	770,011
Taxable Auctioned Preferred shares offering costs adjustments		54,764
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	495,542	824,775
Net increase (decrease) in net assets applicable to Common shares	47,156,527	(293,336,008)
Net assets applicable to Common shares at the beginning of year	183,168,376	476,504,384
Net assets applicable to Common shares at the end of year	$ 230,324,903	$ 183,168,376
Undistributed (Over-distribution of) net investment income at the end of year	$ (196,454)	$ (144,968)

See accompanying notes to financial statements.

Statement of
CASH FLOWS

	Year Ended December 31, 2009
Cash Flows from Operating Activities:	
Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations	$ 73,054,565
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	(167,222,936)
Proceeds from sales and maturities of investments	173,692,694
Proceeds from (Purchases of) short-term investments, net	1,488,874
Proceeds from (Payments for) cash denominated in foreign currencies, net	441,175
Proceeds from (Payments for) closed foreign currency spot contracts	(106,167)
Proceeds from (Payments for) terminated interest rate swap contracts	(291,037)
Amortization (Accretion) of premiums and discounts, net	(538,265)
(Increase) Decrease in cash equivalents	15,127,850
(Increase) Decrease in receivable for dividends	542,803
(Increase) Decrease in receivable for interest	27,190
(Increase) Decrease in receivable for investments sold	(262,377)
(Increase) Decrease in other assets	(9,774)
Increase (Decrease) in accrued interest on borrowings	(157,448)
Increase (Decrease) in accrued management fees	40,275
Increase (Decrease) in accrued other liabilities	(151,353)
Net realized (gain) loss from investments and foreign currency	152,518,403
Net realized (gain) loss from interest rate swaps	291,037
Change in net unrealized (appreciation) depreciation of investments and foreign currency	(213,641,005)
Change in net unrealized (appreciation) depreciation of interest rate swaps	(279,791)
Taxes paid on undistributed capital gains	88,646
Capital gain and return of capital distributions from investments	3,659,316
Net cash provided by (used in) operating activities	38,312,675
Cash Flows from Financing Activities:	
Increase (Decrease) in borrowings	39,710,000
Cash distributions paid to Common shareholders	(25,898,038)
Increase (Decrease) in payable for Taxable Auctioned Preferred shares noticed for redemption, at liquidation value	(15,125,000)
Increase (Decrease) in Taxable Auctioned Preferred shares, at liquidation value	(37,000,000)
Net cash provided by (used in) financing activities	(38,313,038)
Net Increase (Decrease) in Cash	(363)
Cash at the beginning of year	363

Cash at the End of Year	$

Supplemental Disclosure of Cash Flow Information

Cash paid for interest on borrowings was $714,839.

Non-cash financing activities not included herein consists of reinvestments of Common share distributions of $495,542.

See accompanying notes to financial statements.

Notes to
FINANCIAL STATEMENTS

1. General Information and Significant Accounting Policies
Nuveen Real Estate Income Fund (the Fund) is a closed-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund s Common shares are listed on the New York Stock Exchange (NYSE) Amex and trade under the ticker symbol JRS. The Fund was organized as a Massachusetts business trust on August 27, 2001.

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; 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.

In June 2009, the Financial Accounting Standards Board (FASB) established the FASB Accounting Standards Codification™ (the Codification) as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Codification supersedes existing non-grandfathered, non-SEC accounting and reporting standards. The Codification did not change GAAP but rather organized it into a hierarchy where all guidance within the Codification carries an equal level of authority. The Codification became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification did not have a material effect on the Fund s financial statements.

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

Investment Valuation
Exchange-listed securities are generally valued at the last sales price on the securities exchange on which such securities are primarily traded. Securities traded on a securities exchange for which there are no transactions on a given day or securities not listed on a securities exchange are valued at the mean of the closing bid and asked prices. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. The prices of fixed-income securities and interest rate swap contracts are provided by an independent pricing service approved by the Fund s Board of Trustees. When market price quotes are not readily available, the pricing service or, in the absence of a pricing service for a particular investment or derivative instrument, the Board of Trustees of the Fund or its designee, may establish fair value using a wide variety of market data including 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. Short-term investments are valued at amortized cost, which approximates value.

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. 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 segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At December 31, 2009, 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 includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also includes paydown gains and losses, if any.

Income Taxes

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.

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 US generally accepted accounting principles.

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 from net unrealized gains, if any, would be distributed from the Fund s assets and would be treated by shareholders as a non-taxable distribution for tax purposes. In the event that total distributions during a calendar year exceed the Fund s total return on net asset value, the difference will be treated as a return of capital for tax purposes and will reduce net asset value per share. 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 accompanying financial statements.

REIT distributions received by the Fund are generally comprised of ordinary income, long-term and short-term capital gains, and a return of REIT capital. The actual character of amounts received during the period are not known until after the fiscal year-end. For the fiscal year ended December 31, 2009, the character of distributions to the Fund from the REITs was 79.00% ordinary income, 17.11% long-term and short-term capital gains, and 3.89% return of REIT capital. For the fiscal year ended December 31, 2008, the character of distributions to the Fund from the REITs was 66.99% ordinary income, 21.35% long-term and short-term capital gains, and 11.66% return of REIT capital.

For the fiscal years ended December 31, 2009 and December 31, 2008, 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, 2009 and December 31, 2008, are reflected in the accompanying financial statements.

Taxable Auctioned Preferred Shares

During the fiscal year ended December 31, 2009, the Fund had five series of outstanding auction rate preferred shares (Taxable Auctioned Preferred), $25,000 stated liquidation value per share, as a means of effecting financial leverage. The dividend rate paid by the Fund on each Series was determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and was payable at the end of each rate period.

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the Taxable Auctioned Preferred shares issued by the Fund than there were offers to buy. This meant that these auctions failed to clear, and that many Taxable Auctioned Preferred shareholders who wanted to sell their shares in these auctions were unable to do so. Taxable Auctioned Preferred shareholders unable to sell their shares received distributions at the maximum rate applicable to failed auctions as calculated in accordance with the pre-established terms of the Taxable Auctioned Preferred shares.

These developments have generally not affected the portfolio management or investment policies of the Fund. However, one continuing implication of these auction failures for Common shareholders is that the Fund s cost of leverage likely has been incrementally higher at times than it otherwise would have been had the auctions continued to be successful. As a result, the Fund s Common share earnings likely have been lower than they otherwise might have been.

Effective May 1, 2009, auction participation fees with respect to auctions that had failed had been reduced from 25 bps (annualized) to 15 bps (annualized). All participants had signed new agreements incorporating this change.

During the fiscal years ended December 31, 2009 and December 31, 2008, the Fund redeemed all $222,000,000 of its outstanding Taxable Auctioned Preferred shares, at liquidation value.

Notes to
FINANCIAL STATEMENTS (continued)

Foreign Currency Transactions
The Fund is authorized to engage in foreign currency exchange transactions, including foreign currency forward, futures, options and swap contracts. 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 dividend and interest 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, investments and other assets and liabilities are translated into U.S. dollars at 4:00 p.m. Eastern time. Investments, 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.

The realized and unrealized gains or losses resulting from changes in foreign exchange rates are recognized as a component of Net realized gain (loss) from investments and foreign currency and Change in net unrealized appreciation (depreciation) of investments and foreign currency on the Statement of Operations, when applicable.

Interest Rate Swaps
The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives and is authorized to invest in interest rate swap transactions in an attempt to manage such risk. The Fund s use of interest rate swap contracts is intended to mitigate the negative impact that an increase in short-term interest rates could have on Common share net earnings as a result of leverage. 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 Taxable Auctioned Preferred shares or any variable rate borrowing. The payment obligation is based on the notional amount of the interest rate swap contract. Interest rate 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. Interest rate swap positions are valued daily. The Fund accrues the amounts to be paid or received and the variable rate payment expected to be received or paid on interest rate swap contracts 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 with the change during the fiscal period reflected on the Statement of Operations as Change in net unrealized appreciation (depreciation) of interest rate swaps. Once periodic payments are settled in cash, the net amount is recognized as Net realized gain (loss) from interest rate swaps on the Statement of Operations, in addition to net realized gain or loss recorded upon the termination of interest rate swap contracts. For tax purposes, periodic payments are treated as ordinary income or expense.

The average notional amount of interest rate swap contracts outstanding during the fiscal year ended December 31, 2009, was $8,600,000. The average notional amount is calculated based on the outstanding balance at the beginning of the fiscal year and at the end of each fiscal quarter within the current fiscal year. The Fund was not invested in interest rate swap contracts at the end of the current fiscal year.

Refer to Footnote 3 - Derivative Instruments and Hedging Activities for further details on interest rate swap contract activity.

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. The extent of the Fund s exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange s clearing house, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

The Fund helps manage counterparty credit risk by entering into agreements only with counterparties Nuveen Asset Management (the Adviser), a wholly-owned subsidiary of Nuveen Investments, Inc. (Nuveen), 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 predetermined threshold amount.

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

Custodian Fee Credit
The Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on the Fund s cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which the Fund overdraws its account at the custodian bank.

Indemnifications
Under the Fund s organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

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

2. Fair Value Measurements
In determining the value of the Fund s investments, various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1	Quoted prices in active markets for identical securities.
Level 2	Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3	Significant unobservable inputs (including management s assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund s fair value measurements as of December 31, 2009:

	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
	$ 162,059,591	$	$	$ 162,059,591

Real Estate Investment Trust Common Stocks				
Real Estate Investment Trust Preferred Stocks	99,777,656	12,166,800		111,944,456
Convertible Bonds		12,937,375		12,937,375
Corporate Bonds		790,000		790,000
Short-Term Investments	5,255,456			5,255,456
Total	$ 267,092,703	$ 25,894,175	$	$ 292,986,878

3. Derivative Instruments and Hedging Activities

During the current fiscal period, the Fund adopted amendments to authoritative guidance under GAAP on disclosures about derivative instruments and hedging activities. This guidance is intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to better understand: a) how and why a fund uses derivative instruments; b) how derivative instruments are accounted for; and c) how derivative instruments affect a fund s financial position, results of operations and cash flows, if any. 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, under this guidance they are considered to be non-hedge transactions for financial reporting purposes. For additional information on the derivative instruments in which the Fund was invested during and at the end of the reporting period, refer to the Portfolio of Investments, Financial Statements and Footnote 1 General Information and Significant Accounting Policies.

The following tables present the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized for the fiscal year ended December 31, 2009, on derivative instruments, as well as the primary risk exposure associated with each. The Fund had no derivative contracts outstanding at December 31, 2009.

Notes to
FINANCIAL STATEMENTS (continued)

Net Realized Gain (Loss) from Interest Rate Swaps

Risk Exposure	
Interest Rate	$ (291,037)

Change in Net Unrealized Appreciation (Depreciation) of Interest Rate Swaps

Risk Exposure	
Interest Rate	$ 279,791

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 12/31/09	**Year Ended 12/31/08**
Common shares issued to shareholders due to reinvestment of distributions	73,988	50,994

Taxable Auctioned Preferred Shares

Transactions in Taxable Auctioned Preferred shares were as follows:

	Year Ended 12/31/09		**Year Ended 12/31/08**	
	Shares	**Amount**	**Shares**	**Amount**
Taxable Auctioned Preferred shares redeemed and/or noticed for redemption:				
Series M	293	$ 7,325,000	1,427	$ 35,675,000
Series T	292	7,300,000	1,428	35,700,000
Series W	293	7,325,000	1,427	35,675,000
Series TH	309	7,725,000	1,691	42,275,000
Series F	293	7,325,000	1,427	35,675,000
Total	1,480	$ 37,000,000	7,400	$ 185,000,000

5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the fiscal year ended December 31, 2009, aggregated $167,222,936 and $173,692,694 respectively.

6. Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At December 31, 2009, the cost of investments was $272,411,679.

Gross unrealized appreciation and gross unrealized depreciation of investments at December 31, 2009, were as follows:

Gross unrealized:	
Appreciation	$ 34,306,676
Depreciation	(13,731,477)
Net unrealized appreciation (depreciation) of investments	$ 20,575,199

The tax components of undistributed net ordinary income and net long-term capital gains at December 31, 2009, the Fund s tax year end, were as follows:

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

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

The tax character of distributions paid during the Fund s tax years ended December 31, 2009 and December 31, 2008, was designated for purposes of the dividends paid deduction as follows:

2009	
Distributions from net ordinary income *	$ 11,585,799
Distributions from net long-term capital gains	
Tax return of capital	14,866,143

2008	
Distributions from net ordinary income *	$ 20,420,784
Distributions from net long-term capital gains	
Tax return of capital	35,002,669

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

At December 31, 2009, the Fund s tax year end, the Fund had an unused capital loss carryforward available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforward will expire as follows:

Expiration:	
December 31, 2016	$ 3,690,838
December 31, 2017	225,113,301
Total	$ 228,804,139

7. Management Fees and Other Transactions with Affiliates

The Fund s management fee is separated into 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 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, which is additive to the fund-level fee, is calculated according to the following schedule:

Complex-Level 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

* The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen funds, with such daily managed assets defined separately for each fund in its management agreement, but excluding assets attributable to investments in other Nuveen funds. For the complex-level and fund-level fees, daily managed assets include assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds use of preferred stock and borrowings and investments in

Notes to
FINANCIAL STATEMENTS (continued)

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 to limit the amount of such assets for determining managed assets in certain circumstances. As of December 31, 2009, the complex-level fee rate was .1887%.

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 or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised funds.

For the first ten years of the Fund s operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily managed net assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending November 30,		**Year Ending November 30,**	
2001 *	.30%	2007	.25%
2002	.30	2008	.20
2003	.30	2009	.15
2004	.30	2010	.10
2005	.30	2011	.05
2006	.30		

* From the commencement of operations.

The Adviser has not agreed to reimburse the Fund for any portion of its fees and expenses beyond November 30, 2011.

8. Borrowing Arrangements

Management determined that leveraging the Fund with debt as a replacement for Taxable Auctioned Preferred shares continued to benefit the Fund s shareholders. The Fund has entered into a $75 million prime brokerage facility (amended from $150 million) with BNP Paribas Prime Brokerage, Inc. (BNP) as a means of financial leverage. As of December 31, 2009, the Fund s outstanding balance on these borrowings was $64,710,000. For the fiscal year ended December 31, 2009, the average daily balance outstanding and average interest rate on these borrowings were $33,170,630 and 1.64%, respectively.

In order to maintain this borrowing facility, 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. Interest is charged on these borrowings at 3-Month LIBOR (London Inter-bank Offered Rate) plus .95% on the amount borrowed and .50% on the undrawn balance. Interest expense incurred on the borrowed and undrawn balances are recognized as Interest expense on borrowings on the Statement of Operations.

9. New Accounting Pronouncements

On January 21, 2010, FASB issued changes to the authoritative guidance under GAAP for fair value measurements. The objective of which is to provide guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for both Level 2 and Level 3 positions, ii) transfers between all levels (including Level 1 and Level 2) on a gross basis (i.e., transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements in the Level 3 rollforward must be shown on a gross basis rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009, however, the requirement to provide the Level 3 activity for purchases, sales, issuances and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010. At this time the Fund is evaluating the implications of this guidance and the impact it will have to the financial statement amounts and footnote disclosures, if any.

Financial
Highlights

Financial
HIGHLIGHTS
Selected data for a Common share outstanding throughout each period:

	Investment Operations					Less Distributions					
inning mmon Share Net Asset Value	Net Investment Income(a)	Net Realized/Unrealized Gain (Loss)(b)	Distributions from Net Investment Income to Taxable Auctioned Preferred Share-holders	Distributions from Capital Gains to Taxable Auctioned Preferred Share-holders	Total	Net Investment Income to Common Share-holders	Capital Gains to Common Share-holders	Tax Return of Capital to Common Share-holders	Total	Borrowing Costs and Taxable Auctioned Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value
ed 12/31:											
6.46	$ .42	$ 2.15	$ ***	$	$ 2.57	$ (.41)	$	$ (.52)	$ (.93)	$	$ 8.10
16.84	.75	(9.18)	(.16)		(8.59)	(.55)		(1.24)	(1.79)	***	6.46
26.44	.73	(7.64)	(.05)	(.36)	(7.32)	(.69)	(1.59)		(2.28)		16.84
22.38	1.01	5.40	(.14)	(.21)	6.06	(1.35)	(.62)		(1.97)	(.03)	26.44
22.46	.84	.93	(.03)	(.16)	1.58	(.29)	(1.37)		(1.66)		22.38

	Taxable Auctioned Preferred Shares at End of Period			Borrowings at End of Period	
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per $1,000
Year Ended 12/31:					
2009	$	$	$	$ 64,710	$ 4,559
2008	37,000	25,000	148,762	25,000	9,807
2007	222,000	25,000	78,660	70,000	10,979
2006	222,000	25,000	108,910	70,000	14,816
2005	172,000	25,000	116,519		

(a) Per share Net Investment Income is calculated using the average daily shares method.
(b) Net of federal corporate income taxes on long-term capital gains retained by the Fund per share as follows:

	Long-Term Capital Gains Retained
Year Ended 12/31:	
2009	N/A
2008	N/A
2007	$ 1.21
2006	.56
2005	N/A

(c) Borrowings Interest Expense includes amortization of borrowing costs. Borrowing costs were fully amortized and expensed as of December 31, 2008.

Total Returns			Ratios/Supplemental Data				
	Based on Common Share		Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement		Ratios to Average Net Assets Applicable to Common Shares After Reimbursement**		
Based on Market Value*	Net Asset Value*	Ending Net Assets Applicable to Common Shares (000)	Expenses	Net Investment Income	Expenses	Net Investment Income	Portfolio Turnover Rate
87.05%	46.80%	$ 230,325	1.66%	6.61%	1.47%	6.79%	74%
(62.13)	(55.79)	183,168	2.55	5.03	2.24	5.33	20
(38.06)	(29.30)	476,504	2.03	2.71	1.68	3.06	44
54.49	27.87	745,119	1.54	3.74	1.15	4.13	25
4.75	7.42	629,649	1.28	3.46	.90	3.85	13

* 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 divided 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.

The Fund elected to retain a portion of its realized long-term capital gains for the following tax years ended December 31, (which is the fiscal year end for the Fund) 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 standardized total returns shown above do not include the economic benefit to Common shareholders on record date of these tax credits/refunds. The Fund s corresponding Total Returns Based on Market Value and Common Share Net Asset Value when these benefits are included are as follows:

		Total Returns	
	Common		Based on
	Shareholders	Based on	

	of Record on	Market Value	Common Share Net Asset Value
Year Ended 12/31:			
2009	N/A	87.05%	46.80%
2008	N/A	(62.13)	(55.79)
2007	December 31	(33.51)	(24.40)
2006	December 29	57.50	30.56
2005	N/A	4.75	7.42

** After expense reimbursement from Adviser, where applicable. Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund s net cash on deposit with the custodian bank, where applicable.

*** Rounds to less than $.01 per share.

The amounts shown are based on Common share equivalents.

Ratios do not reflect the effect of dividend payments to Taxable Auctioned Preferred shareholders.

Net Investment Income 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 the interest expense paid on borrowings as follows:

	Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares(c)
Year Ended 12/31:	
2009	.41%
2008	.91
2007	.57
2006	.21
2005	

N/A The Fund had no retained capital gains for the tax years ended December 31, 2009, December 31, 2008 and December 31, 2005.

See accompanying notes to financial statements.

Board Members & Officers

The management of the Fund, including general supervision of the duties performed for the Fund by the Adviser, is the responsibility of the Board Members of the Fund. The number of board members of the Fund is currently set at nine. None of the board members who are not interested persons of the Fund (referred to herein as independent board members) has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Fund, 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[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 **ROBERT P. BREMNER**				
8/22/40 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board Member	**1997** **Class III**	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington, D.C.	**199**
n **JACK B. EVANS**				
10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1999** **Class III**	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Chairman, United Fire Group, a publicly held company; President Pro Tem of the Board of Regents for the State of Iowa University System; Director, Gazette Companies; Life Trustee of Coe College and the Iowa College Foundation; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a	**199**

			regional financial services firm.	
n **WILLIAM C. HUNTER** 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2004** **Class I**	Dean, Tippie College of Business, University of Iowa (since 2006); Director (since 2004) of Xerox Corporation; Director (since 2005), Beta Gamma Sigma International Honor Society; 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); Director, SS&C Technologies, Inc. (May 2005-October 2005); formerly, Director (1997-2007), Credit Research Center at Georgetown University.	**199**

Name, Birthdate and Address	Position(s) Held with the Fund	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 **DAVID J. KUNDERT** 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2005** **Class II**	Director, Northwestern Mutual Wealth Management Company; 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; Member, Board of Regents, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Investment Committee, Greater Milwaukee Foundation.	**199**
n **WILLIAM J. SCHNEIDER** 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1997** **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; member, University of Dayton Business School Advisory Council; member, Dayton Philharmonic Orchestra Association formerly, member, Business Advisory Council, Cleveland Federal Reserve Bank; formerly, Director, Dayton Development Coalition.	**199**

n **JUDITH M. STOCKDALE** 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	**1997** **Class I**	Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (from 1990 to 1994).	**199**
n **CAROLE E. STONE** 6/28/47 333 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); Commissioner, New York State Commission on Public Authority Reform (since 2005); formerly, Chair, New York Racing Association Oversight Board (2005-2007).	**199**
n **TERENCE J. TOTH** 9/29/59 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2008** **Class II**	Director, Legal & General Investment Management America, Inc. (since 2008); Managing Partner, Musso Capital Management (since 2008); CEO and President, Northern Trust Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2004-2007); prior thereto, various positions with Northern Trust Company (since 1994); Member: Goodman Theatre Board (since 2004); Chicago Fellowship Boards (since 2005), University of Illinois Leadership Council Board (since 2007) and Catalyst Schools of Chicago Board (since 2008); formerly Member: Northern Trust Mutual Funds Board (2005-2007), Northern Trust Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong	**199**

Board (1997-2004).

Name, Birthdate and Address	Position(s) Held with the Fund	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 MEMBER:				
n **JOHN P. AMBOIAN**[2]				
6/14/61 333 W. Wacker Drive Chicago, IL 60606	Board Member	**2008** **Class II**	Chief Executive Officer (since July 2007) and Director (since 1999) of Nuveen Investments, Inc.; Chief Executive Officer (since 2007) of Nuveen Asset Management, Nuveen Investments Advisors, Inc.	**199**

Name, Birthdate and Address	Position(s) Held with the Fund	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 FUND:				
n **GIFFORD R. ZIMMERMAN**				
9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	**1988**	Managing Director (since 2002), Assistant Secretary and Associate General Counsel of Nuveen Investments, LLC; Managing Director, Associate General Counsel and Assistant Secretary, of Nuveen Asset Management (since 2002); and 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), Tradewinds Global Investors, LLC, and Santa Barbara Asset Management, LLC (since 2006), Nuveen HydePark Group LLC and Nuveen Investment Solutions, Inc. (since 2007);	**199**

			Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Chartered Financial Analyst.	
n **WILLIAM ADAMS IV** 6/9/55 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2007**	Executive Vice President of Nuveen Investments, Inc.; Executive Vice President, U.S. Structured Products of Nuveen Investments, LLC, (since 1999), prior thereto, Managing Director of Structured Investments.	**123**
n **MARK J.P. ANSON** 6/10/59 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2009**	President and Executive Director of Nuveen Investments, Inc. (since 2007); President of Nuveen Investments Institutional Services Group LLC (since 2007); previously, Chief Executive Officer of the British Telecom Pension Scheme (2006-2007) and Chief Investment Officer of Calpers (1999-2006); PhD, Chartered Financial Analyst Chartered Alternative Investment Analyst, Certified Public Accountant, Certified Management Accountant and Certified Internal Auditor.	**199**
n **CEDRIC H. ANTOSIEWICZ** 1/11/62 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2007**	Managing Director, (since 2004) previously, Vice President (1993-2004) of Nuveen Investments, LLC.	**123**

Name, Birthdate and Address	Position(s) Held with the Fund	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 FUND (continued):				
n **NIZIDA ARRIAGA** 6/1/68 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2009**	Vice President (since 2007) of Nuveen Investments, LLC; previously, Portfolio Manager, Allstate Investments, LLC (1996-2006); Chartered Financial Analyst.	**199**
n **MICHAEL T. ATKINSON** 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**2000**	Vice President (since 2002) of Nuveen Investments, LLC; Vice President of Nuveen Asset Management (since 2005).	**199**
n **MARGO L. COOK** 4/11/64 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2009**	Executive Vice President (since Oct 2008) of Nuveen Investments, Inc.; previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Mgt (1986-2007) of Bank of NY Mellon; Chartered Financial Analyst.	**199**
n **LORNA C. FERGUSON** 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	**1998**	Managing Director (since 2004) of Nuveen Investments, LLC and Managing Director (since 2005) of Nuveen Asset Management.	**199**
n **STEPHEN D. FOY**				

5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	**1998**	Vice President (since 1993) and Funds Controller (since 1998) of Nuveen Investments, LLC; Vice President (since 2005) of Nuveen Asset Management; Certified Public Accountant.	**199**
n **SCOTT S. GRACE**				
8/20/70 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	**2009**	Managing Director, Corporate Finance & Development, Treasurer (since September 2009) of Nuveen Investments, 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.	**199**
n **WILLIAM T. HUFFMAN**				
5/7/69 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2009**	Chief Operating Officer, Municipal Fixed Income (since 2008) of Nuveen Asset Management; previously, Chairman, President and Chief Executive Officer (2002-2007) of Northern Trust Global Advisors, Inc. and Chief Executive Officer (2007) of Northern Trust Global Investments Limited; Certified Public Accountant.	**134**
n **WALTER M. KELLY**				
2/24/70 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	**2003**	Senior Vice President (since 2008), Vice President (2006-2008) formerly, Assistant Vice President and Assistant General Counsel (2003-2006) of Nuveen Investments, LLC; Vice President (since 2006) and Assistant Secretary (since	**199**

2008) of Nuveen Asset Management.

Name, Birthdate and Address	Position(s) Held with the Fund	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 FUND (continued):				
n **DAVID J. LAMB** 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2000**	Senior Vice President (since 2009), formerly, Vice President (2000-2009) of Nuveen Investments, LLC; Vice President (since 2005) of Nuveen Asset Management; Certified Public Accountant.	**199**
n **TINA M. LAZAR** 8/27/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2002**	Senior Vice President (since 2009), formerly, Vice President of Nuveen Investments, LLC (1999-2009); Vice President of Nuveen Asset Management (since 2005).	**199**
n **LARRY W. MARTIN** 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**1988**	Vice President, Assistant Secretary and Assistant General Counsel of Nuveen Investments, LLC; Vice President (since 2005) and Assistant Secretary of Nuveen Investments, Inc.; Vice President (since 2005) and Assistant Secretary (since 1997) of Nuveen Asset Management; Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); NWQ Investment Management Company, LLC (since 2002), Symphony Asset Management LLC (since	**199**

			2003), Tradewinds Global Investors, LLC, Santa Barbara Asset Management LLC (since 2006) and of Nuveen HydePark Group, LLC and Nuveen Investment Solutions, Inc. (since 2007).	
n **KEVIN J. MCCARTHY** 3/26/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	**2007**	Managing Director (since 2008), formerly, Vice President (2007-2008), Nuveen Investments, LLC; Managing Director (since 2008), formerly, Vice President, and Assistant Secretary, Nuveen Asset Management, and Nuveen Investment Holdings, Inc.; Vice President (since 2007) and Assistant Secretary, Nuveen Investment Advisers Inc., Nuveen Investment Institutional Services Group LLC, NWQ Investment Management Company, LLC, Tradewinds Global Investors LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management LLC, Nuveen HydePark Group, LLC and Nuveen Investment Solutions, Inc. (since 2007); prior thereto, Partner, Bell, Boyd & Lloyd LLP (1997-2007).	**199**
n **JOHN V. MILLER** 4/10/67 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2007**	Chief Investment Officer and Managing Director (since 2007), formerly, Vice President (2002-2007) of Nuveen Asset Management and Managing Director (since 2007), formerly, Vice President (2002-2007) of Nuveen Investments, LLC;	**134**

			Chartered Financial Analyst.	
n **GREGORY MINO** 1/4/71 333 W. Wacker Drive Chicago, IL 60606	Vice President	**2009**	Vice President of Nuveen Investments, LLC (since 2008); previously, Director (2004-2007) and Executive Director (2007-2008) of UBS Global Asset Management; previously, Vice President (2000-2003) and Director (2003-2004) of Merrill Lynch Investment Managers; Chartered Financial Analyst.	**199**

Name, Birthdate and Address	Position(s) Held with the Fund	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 FUND (continued):				
n **CHRISTOPHER M. ROHRBACHER** 8/1/71 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**2008**	Vice President, Nuveen Investments, LLC (since 2008); Vice President and Assistant Secretary, Nuveen Asset Management (since 2008); prior thereto, Associate, Skadden, Arps, Slate Meagher & Flom LLP (2002-2008).	**199**
n **JAMES F. RUANE** 7/3/62 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**2007**	Vice President, Nuveen Investments, LLC (since 2007); prior thereto, Partner, Deloitte & Touche USA LLP (2005-2007), formerly, senior tax manager (2002-2005); Certified Public Accountant.	**199**
n **MARK L. WINGET** 12/21/68 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	**2008**	Vice President, Nuveen Investments, LLC (since 2008); Vice President and Assistant Secretary, Nuveen Asset Management (since 2008); prior thereto, Counsel, Vedder Price P.C. (1997-2007).	**199**

(1) 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) Mr. Amboian is an interested trustee because 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 July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

Annual Investment Management
Agreement Approval Process

The Investment Company Act of 1940, as amended (the *1940 Act*), provides, in substance, that each investment advisory agreement between a fund and its investment adviser (including sub-advisers) will continue in effect from year to year only if its continuance is approved at least annually by the fund s board members, including by a vote of a majority of the board members who are not parties to the advisory agreement or interested persons of any parties (the *Independent Board Members*), cast in person at a meeting called for the purpose of considering such approval. In connection with such approvals, the fund s board members must request and evaluate, and the investment adviser is required to furnish, such information as may be reasonably necessary to evaluate the terms of the advisory agreement. Accordingly, at a meeting held on May 27-29, 2009 (the *May Meeting*), the Board of Trustees (the *Board,* and each Trustee, a *Board Member*) of the Fund, including a majority of the Independent Board Members, considered and approved the continuation of the advisory and sub-advisory agreements for the Fund for an additional one-year period. These agreements include the investment advisory agreement between Nuveen Asset Management (*NAM*) and the Fund and the sub-advisory agreement between NAM and Security Capital Research & Management, Incorporated (the *Sub-Adviser*). In preparation for their considerations at the May Meeting, the Board also held a separate meeting on April 21-22, 2009 (the *April Meeting*). Accordingly, the factors considered and determinations made regarding the renewals by the Independent Board Members include those made at the April Meeting.

In addition, in evaluating the advisory agreement (the *Investment Management Agreement*) and the sub-advisory agreement (the *Sub-advisory Agreement,* and the Investment Management Agreement and Sub-advisory Agreement are each an *Advisory Agreement*), the Independent Board Members reviewed a broad range of information relating to the Fund, NAM and the Sub-Adviser (NAM and the Sub-Adviser are each a *Fund Adviser*), including absolute performance, fee and expense information for the Fund as well as comparative performance, fee and expense information for a comparable peer group of funds, the performance information of recognized and/or customized benchmarks (as applicable) of the Fund, the profitability of Nuveen for its advisory activities (which includes its wholly owned subsidiaries other than Winslow Capital Management, Inc. (*Winslow Capital*), which was recently acquired in December 2008), and other information regarding the organization, personnel, and services provided by the respective Fund Adviser. The Independent Board Members also met quarterly as well as at other times as the need arose during the year and took into account the information provided at such meetings and the knowledge gained therefrom. Prior to approving the renewal of the Advisory Agreements, the Independent Board Members reviewed the foregoing information with their independent legal counsel and with management, reviewed materials from independent legal counsel describing applicable law and their duties in reviewing advisory contracts, and met with independent legal counsel in private sessions without management present. The Independent Board Members considered the legal advice provided by independent legal counsel and relied upon their knowledge of the Fund Adviser, its services and the Fund resulting from their meetings and other interactions throughout the year and their own business judgment in determining the factors to be considered in evaluating the Advisory Agreements. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to the Fund s Advisory Agreements. The Independent Board Members did not identify any single factor as all-important or controlling. The Independent Board Members considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. Nature, Extent and Quality of Services

In considering renewal of the Advisory Agreements, the Independent Board Members considered the nature, extent and quality of the Fund Adviser s services, including advisory services and administrative services. The Independent

Board Members reviewed materials outlining, among other things, the Fund Adviser s organization and business; the types of services that the Fund Adviser or its affiliates provide and are expected to provide to the Fund; the performance record of the Fund (as described in further detail below); and any initiatives Nuveen had taken for the applicable fund product line.

In reviewing the services provided and the initiatives undertaken during the past year, the Independent Board Members recognized the severe market turmoil experienced in the capital markets during recent periods, including sustained periods of high volatility, credit disruption and government intervention. The Independent Board Members considered the Fund Adviser s efforts, expertise and other actions taken to address matters as they arose that impacted the Fund. The Independent Board Members recognized the role of the Investment Services group which, among other things, monitors the various positions throughout the Nuveen fund complex to identify and address any systematic risks. In addition, the Capital Markets Committee of NAM provides a multi-departmental venue for developing new policies to mitigate any risks. The Independent Board Members further recognized NAM s continuous review of the Nuveen funds investment strategies and mandates in seeking to continue to refine and improve the investment process for the funds, particularly in light of market conditions. With respect to closed-end funds that issued auction rate preferred shares (*ARPs*) or that otherwise utilize leverage, the Independent Board Members noted, in particular, NAM s efforts in refinancing the preferred shares of such funds frozen by the collapse of the auction rate market and managing leverage during a period of rapid market declines, particularly for the non-equity funds. Such efforts included negotiating and maintaining the availability of bank loan facilities and other sources of credit used for investment purposes or to satisfy liquidity needs, liquidating portfolio securities during difficult times to meet leverage ratios, and seeking alternative forms of debt and other leverage that may over time reduce financing costs associated with ARPs and enable the funds that have issued ARPs to restore liquidity to ARPs holders. The Independent Board Members also noted Nuveen s continued commitment and efforts to keep investors and financial advisers informed as to its progress with the ARPs through, among other things, conference calls, emails, press releases, information posted on its website, and telephone calls and in-person meetings with financial advisers. In addition to the foregoing, the Independent Board Members also noted the additional services that NAM or its affiliates provide to closed-end funds, including, in particular, Nuveen s continued commitment to supporting the secondary market for the common shares of its closed-end funds through a variety of programs designed to raise investor and analyst awareness and understanding of closed-end funds. These efforts include maintaining an investor relations program to provide timely information and education to financial advisers and investors; providing advertising and marketing for the closed-end funds; maintaining websites; and providing educational seminars.

As part of their review, the Independent Board Members also evaluated the background, experience and track record of the Fund Adviser s investment personnel. In this regard, the Independent Board Members considered any changes in the personnel, and the impact on the level of services provided to the Fund, if any. The Independent Board Members also reviewed information regarding portfolio manager compensation arrangements to evaluate the Fund Adviser s ability to attract and retain high quality investment personnel, preserve stability, and reward performance but not provide an incentive for taking undue risks.

In addition to advisory services, the Independent Board Members considered the quality of administrative services provided by NAM and its affiliates including product management, fund administration, oversight of service providers, shareholder services, administration of Board relations, regulatory and portfolio compliance and legal support. Given the importance of compliance, the Independent Board Members considered NAM s compliance program, including the report of the chief compliance officer regarding the Fund s compliance policies and procedures.

The Independent Board Members also considered NAM s oversight of the performance, business activities and compliance of the Sub-Adviser. In that regard, the Independent Board Members reviewed an evaluation of the Sub-Adviser from NAM. The evaluation also included information relating to the Sub-Adviser s organization, operations, personnel, assets under management, investment philosophy, strategies and techniques in managing the Fund, developments affecting the Sub-Adviser, and an analysis of the Sub-Adviser. As described in further detail below, the Board considered the performance of the Fund. The Board also recognized that the Sub-advisory

Agreement was essentially an agreement for portfolio management services only and the Sub-Adviser was not expected to supply other significant administrative services to the Fund. As part of their oversight, the Independent Board Members also continued their program of seeking to visit each sub-adviser to the Nuveen funds at least once over a multiple year rotation, meeting with key investment and business personnel. The Independent Board Members noted that NAM recommended the renewal of the Sub-advisory Agreement and considered the basis for such recommendations and any qualifications in connection therewith.

Annual Investment Management
Agreement Approval Process (continued)

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the Fund under the Investment Management Agreement or Sub-advisory Agreement, as applicable, were satisfactory.

B. The Investment Performance of the Fund and Fund Advisers

The Board considered the investment performance of the Fund, including the Fund s historic performance as well as its performance compared to funds with similar investment objectives (the *Performance Peer Group*) based on data provided by an independent provider of mutual fund data as well as recognized and/or customized benchmarks. The Independent Board Members reviewed performance information including, among other things, total return information compared with the Fund s Performance Peer Group and recognized and/or customized benchmarks for the quarter-, one-, three- and five-year periods ending December 31, 2008 and for the same periods ending March 31, 2009. The Independent Board Members also reviewed performance information of the Nuveen funds managed by the Sub-Adviser in the aggregate ranked by peer group and the performance of such funds, in the aggregate, relative to their benchmark. This information supplemented the Fund performance information provided to the Board at each of its quarterly meetings.

In comparing a fund s performance with that of its Performance Peer Group, the Independent Board Members took into account that the closest Performance Peer Group in certain instances may not adequately reflect the respective fund s investment objectives and strategies thereby hindering a meaningful comparison of the fund s performance with that of the Performance Peer Group. The Independent Board Members further considered the performance of the Fund in the context of the volatile market conditions during the past year, and their impact on various asset classes and the portfolio management of the Fund.

Based on their review and factoring in the severity of market turmoil in 2008, the Independent Board Members determined that the Fund s investment performance over time had been satisfactory.

C. Fees, Expenses and Profitability

1. Fees and Expenses

The Board evaluated the management fees and expenses of the Fund reviewing, among other things, the Fund s gross management fees, net management fees and total expense ratios (before and after expense reimbursements and/or waivers) in absolute terms as well as compared to the fee and expenses of a comparable universe of unaffiliated funds based on data provided by an independent fund data provider (the *Peer Universe*) and in certain cases, to a more focused subset of funds in the Peer Universe (the *Peer Group*).

The Independent Board Members further reviewed data regarding the construction of the applicable Peer Universe and Peer Group. In reviewing the comparisons of fee and expense information, the Independent Board Members took into account that in certain instances various factors such as the asset level of a fund relative to peers, the size and particular composition of the Peer Universe or Peer Group, the investment objectives of the peers, expense anomalies, changes in the funds comprising the Peer Universe or Peer Group from year to year, levels of reimbursement and the timing of information used may impact the comparative data, thereby limiting the ability to make a meaningful comparison. The Independent Board Members also considered, among other things, the differences in the use and type of leverage compared to the peers. In reviewing the fee schedule for the Fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen (applicable, in particular, for certain closed-end funds launched since 1999).

Based on their review of the fee and expense information provided, the Independent Board Members determined that the Fund s management fees and net total expense ratio were reasonable in light of the nature, extent and quality of services provided to the Fund.

2. Comparisons with the Fees of Other Clients

The Independent Board Members further reviewed information regarding the nature of services and fee rates offered by NAM to other clients. Such clients include separately managed accounts (both retail and institutional accounts) and funds that are not offered by Nuveen but are sub-advised by one of Nuveen s investment management teams. In evaluating the comparisons of fees, the Independent Board Members noted that the fee rates charged to the Fund and other clients vary, among other things, because of the different services involved and the additional regulatory and compliance requirements associated with registered investment companies, such as the Fund. Accordingly, the Independent Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Independent Board Members noted, in particular, that the range of services provided to the Fund (as discussed above) is much more extensive than that provided to separately managed accounts. Given the inherent differences in the products, particularly the extensive services provided to the Fund, the Independent Board Members believe such facts justify the different levels of fees.

In considering the fees of the Sub-Adviser, the Independent Board Members also considered the pricing schedule or fees that the Sub-Adviser charges for similar investment management services for other fund sponsors or clients (such as retail and/or institutional managed accounts) as applicable. The Independent Board Members noted that such fees were the result of arm s-length negotiations.

3. Profitability of Fund Advisers
In conjunction with its review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities (which incorporated Nuveen s wholly-owned affiliated sub-advisers other than Winslow Capital) and its financial condition. The Independent Board Members reviewed the revenues and expenses of Nuveen s advisory activities for the last two years, the allocation methodology used in preparing the profitability data and an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2008. In addition, the Independent Board Members reviewed information regarding the financial results of Nuveen for 2008 based on its Form 8-K filed on March 31, 2009. The Independent Board Members noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Independent Board Members noted that they had also appointed an Independent Board Member as a point person to review and keep them apprised of changes to the profitability analysis and/or methodologies during the year. The Independent Board Members also considered Nuveen s revenues for advisory activities, expenses, and profit margin compared to that of various unaffiliated management firms with similar amounts of assets under management and relatively comparable asset composition prepared by Nuveen.

In reviewing profitability, the Independent Board Members recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Independent Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser s particular business mix, capital costs, types of funds managed and expense allocations. Notwithstanding the foregoing, the Independent Board Members reviewed Nuveen s methodology and assumptions for allocating expenses across product lines to determine profitability. In reviewing profitability, the Independent Board Members recognized Nuveen s investment in its fund business.

Based on their review, the Independent Board Members concluded that Nuveen s level of profitability for its advisory activities was reasonable in light of the services provided. The Independent Board Members also considered the Sub-Adviser s revenues, expenses and profitability margins (pre- and post-tax). Based on their review, the Independent Board Members were satisfied that the Sub-Adviser s level of profitability was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Fund as well as any indirect benefits (such as soft dollar arrangements, if any) the Fund Adviser and its affiliates receive, or are expected to receive, that are directly attributable to the management of the Fund, if any. See Section E below for additional information on indirect benefits the Fund Adviser may receive as a result of its relationship with the Fund. Based on their review of the overall fee arrangements of the Fund, the Independent Board Members determined that the advisory fees and expenses of the Fund were reasonable.

Annual Investment Management
Agreement Approval Process (continued)

D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale

With respect to economies of scale, the Independent Board Members have recognized the potential benefits resulting from the costs of a fund being spread over a larger asset base, although economies of scale are difficult to measure and predict with precision, particularly on a fund-by-fund basis. One method to help ensure the shareholders share in these benefits is to include breakpoints in the advisory fee schedule. Generally, management fees for funds in the Nuveen complex are comprised of a fund-level component and a complex-level component, subject to certain exceptions. Accordingly, the Independent Board Members reviewed and considered the applicable fund-level breakpoints in the advisory fee schedules that reduce advisory fees as asset levels increase. In this regard, the Independent Board Members noted that although closed-end funds may from time-to-time make additional share offerings, the growth of their assets will occur primarily through the appreciation of such funds investment portfolio. While economies of scale result when costs can be spread over a larger asset base, the Independent Board Members also recognized that the asset levels generally declined in 2008 due to, among other things, the market downturn. Accordingly, for funds with a reduction in assets under management, advisory fee levels may have increased as breakpoints in the fee schedule were no longer surpassed.

In addition to fund-level advisory fee breakpoints, the Board also considered the Fund s complex-wide fee arrangement. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex generally are reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular fund are unchanged or have decreased. The approach reflects the notion that some of Nuveen s costs are attributable to services provided to all its funds in the complex and therefore all funds benefit if these costs are spread over a larger asset base. Generally, the complex-wide pricing reduces Nuveen s revenue because total complex fund assets have consistently grown in prior years. As noted, however, total fund assets declined in 2008 resulting in a smaller downward adjustment of revenues due to complex-wide pricing compared to the prior year.

Based on their review, the Independent Board Members concluded that the breakpoint schedules and complex-wide fee arrangement (as applicable) were acceptable and reflect economies of scale to be shared with shareholders when assets under management increase.

E. Indirect Benefits

In evaluating fees, the Independent Board Members received and considered information regarding potential fall out or ancillary benefits the respective Fund Adviser or its affiliates may receive as a result of its relationship with the Fund. In this regard, the Independent Board Members considered revenues received by affiliates of NAM for serving as agent at Nuveen s trading desk.

In addition to the above, the Independent Board Members considered whether the Fund Adviser received any benefits from soft dollar arrangements whereby a portion of the commissions paid by the Fund for brokerage may be used to acquire research that may be useful to the Fund Adviser in managing the assets of the Fund and other clients. With respect to NAM, the Independent Board Members noted that NAM does not currently have any soft dollar arrangements; however, to the extent certain bona fide agency transactions that occur on markets that traditionally trade on a principal basis and riskless principal transactions are considered as generating commissions, NAM intends to comply with the applicable safe harbor provisions. With respect to the Sub-Adviser, the Independent Board Members considered that the Sub-Adviser may benefit from its soft dollar arrangements pursuant to which it receives research from brokers that execute the Fund s portfolio transactions. The Independent Board Members further noted that the Sub-Adviser s profitability may be lower if it were required to pay for this research with hard dollars.

Based on their review, the Independent Board Members concluded that any indirect benefits received by a Fund Adviser as a result of its relationship with the Fund were reasonable and within acceptable parameters.

F. Other Considerations

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the Investment Management Agreement and Sub-advisory Agreement are fair and reasonable, that the respective Fund Adviser s fees are reasonable in light of the services provided to the Fund and that the Investment Management Agreement and the Sub-advisory Agreement be renewed.

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. 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 financial 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.

Glossary of Terms
Used in this Report

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

- ***Current Distribution Rate:*** 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 calendar year the Fund s cumulative net ordinary income and net realized gains are less than the amount of the Fund s distributions, a tax return of capital.

- ***Net Asset Value (NAV):*** A Fund s NAV per common share is calculated by subtracting the liabilities of the Fund (including any debt or preferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of common shares outstanding. Fund NAVs are calculated at the end of each business day.

Notes

Other Useful Information

Fund Manager
Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

Custodian
State Street Bank & Trust Company
Boston, MA

Transfer Agent and
Shareholder Services
State Street Bank & Trust Company
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

Legal Counsel
Chapman and Cutler LLP
Chicago, IL

Independent Registered
Public Accounting Firm
Ernst & Young LLP
Chicago, IL

Quarterly Portfolio of Investments and Proxy Voting Information

You may obtain (i) the Fund s quarterly portfolio of investments, (ii) information regarding how the Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, 2009, and (iii) a description of the policies and procedures that the 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 or on

Nuveen s website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission (SEC). The SEC may charge a copying fee for this information. Visit the SEC on-line at http://www.sec.gov or in person at the SEC s Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC s Public Reference Section at 100 F Street NE, Washington, D.C. 20549.

CEO Certification Disclosure

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

Distribution Information

Nuveen Real Estate Income Fund (JRS) hereby designates 0.00% of dividends paid from net ordinary income as dividends qualifying for the 70% dividends received deduction for corporations and 1.02% as qualified dividend income for individuals under Section 1 (h)(11) of the Internal Revenue Code. The actual qualified dividend income distributions will be reported to shareholders on From 1099-DIV which will be sent to shareholders shortly after calendar year end.

Common and Preferred Share Information

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

Common Shares Repurchased	Preferred Shares Redeemed
	1,480

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

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 is a global investment management firm that seeks to help secure the long-term goals of institutions and high net worth investors as well as the consultants and financial advisors who serve them. We market our growing range of specialized investment solutions under the high-quality brands of HydePark, NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds and Winslow Capital. In total, Nuveen Investments managed approximately $141 billion of assets on September 30, 2009.

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**

Share prices

Fund details

Daily financial news

Investor education

Interactive planning tools

Distributed by
Nuveen Investments, LLC
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Chicago, IL 60606
www.nuveen.com

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at www.nuveen.com/CEF/Info/Shareholder/. (To view the code, click on Fund Governance and then click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant s Board of Directors or Trustees (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 Jack B. Evans, who is independent for purposes of Item 3 of Form N-CSR.

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

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen 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, 2009	$ 23,500	$ 0	$ 0	$ 6,000
Percentage approved pursuant to pre-approval exception	0%	0%	0%	0%
December 31, 2008	$ 23,500	$ 0	$ 0	$ 7,100
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 and are not reported under Audit Fees .

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

4 All Other Fees are the aggregate fees billed for products and services for agreed upon procedures

engagements
performed for
leveraged funds.

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

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management (NAM or the Adviser), and any entity controlling, controlled by or under common control with NAM 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, 2009	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%
December 31, 2008	$ 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, 2009	$ 6,000	$ 0	$ 0	$6,000
December 31, 2008	$ 7,100	$ 0	$ 0	$7,100

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.

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, William J. Schneider 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.

The Adviser has engaged Security Capital Research & Management Incorporated (SC-R&M) as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has also delegated to the Sub-Adviser the full responsibility for proxy voting and related duties in accordance with the Sub-Adviser s policy and procedures. The Adviser periodically will monitor the Sub-Adviser s voting to ensure that they are carrying out their duties. The Sub-Adviser s proxy voting policies and procedures are summarized as follows:

SC-R&M 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, SC-R&M 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.

To oversee and monitor the proxy-voting process, SC-R&M 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 SC-R&M 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.

The Adviser has engaged Security Capital Research & Management Incorporated (SC-R&M) for a portion of the registrant s investments. (SC-R&M is also referred to as Sub-Adviser .) SC-R&M, 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 Incorporated. 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 36 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 28 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 22 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: Registered Investment Companies Number of Accounts	Registered Investment Companies Total Assets ($billions)	Other Pooled Investment Vehicles Number of Accounts	Other Pooled Investment Vehicles Total Assets ($billions)	Other Accounts Number of Accounts	Other Accounts Total Assets ($billions)	(a)(3) **Performance Fee Accounts.** For each of the categories in column (a)(2), provide number of accounts and the total assets in the accounts with respect to which the ***advisory fee is based on the performance of the account***: Registered Investment Companies Number of Accounts	Registered Investment Companies Total Assets	Other Pooled Investment Vehicles Number of Accounts	Other Pooled Investment Vehicles Total Assets	Other Accounts Number of Accounts	Other Accounts Total Assets ($billions)
Anthony R. Manno Jr.	4	$ 1.2	1	$ 0.6	380	$ 1.7					6	$ 0.3
Kenneth D. Statz	4	$ 1.2	1	$ 0.6	377	$ 1.7					6	$ 0.3
Kevin W. Bedell	4	$ 1.2	1	$ 0.6	386	$ 1.7					6	$ 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 SC-R&M 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.

SC-R&M 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 SC-R&M 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 SC-R&M 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. SC-R&M may be perceived as causing accounts it manages to participate in an offering to increase SC-R&M 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 SC-R&M manages accounts that engage in short sales of securities of the type in which the Funds invests, SC-R&M

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.

SC-R&M 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 for the same equity security are aggregated on a continual basis throughout each trading day consistent with SC-R&M 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 SC-R&M 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. Actual bonus payments may range from below 100% of target to a multiple of target bonus depending upon actual performance. Actual bonus is paid partially in cash and partially in either (a) restricted stock of SC-R&M s parent company, JPMorgan Chase & Co., which vests over a three-year period (50% each after the second and third years) or (b) in self directed parent company mutual funds which vests after a three-year period (100% after the third year). Actual bonus is a function of SC-R&M 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, 2009.

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. Letter or number the

exhibits in the sequence indicated.
(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant s website at www.nuveen.com/CEF/Info/Shareholder/ and there were no amendments during the period covered by this report. (To view the code, click on Fund Governance and then Code of Conduct.)
(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.
(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.
(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Real Estate Income Fund

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

Date: March 10, 2010

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 10, 2010

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

Date: March 10, 2010