

# Nuveen Real Estate Income Fund (JRS)

Marketing communication | As of 30 Sep 2024

- During the quarter, the Fund outperformed the JRS Blended Benchmark (the benchmark), which is composed of 60% Wilshire U.S. Real Estate Securities Index and 40% FTSE Nareit Preferred Stock Index.
- The Fund's common equity holdings outperformed the Wilshire U.S. Real Estate Securities Index, while its preferred holdings underperformed the FTSE Nareit Preferred Stock Index for the quarter.
- The interest rate sensitive U.S. REIT common equities and U.S. REIT preferred securities segments both generated strong total returns during the third quarter.

## Portfolio review

U.S. REIT equities surged against the backdrop of easing interest rates, signs of thawing in real estate credit markets, and broadly advancing U.S. equity markets. The U.S. REIT equities segment gained 15.1% for the quarter, as measured by the Wilshire U.S. Real Estate Securities Index, outperforming the broader equity market. Total returns for REIT senior securities were also favorable with REIT preferreds nearly keeping pace with common equities. The FTSE Nareit Preferred Stock Index returned 13.1% for the quarter.

The Fund's common equity holdings outperformed the return of the Wilshire U.S. Real Estate Securities Index during the third quarter, while its preferred holdings underperformed the FTSE Nareit Preferred Stock Index. Compared to the previous quarter, the Fund's overweight allocation to common equity slightly increased to 68%, while its preferred securities allocation decreased slightly to 28% of its portfolio.

## Contributors

Health care company Ventas contributed to relative performance versus the benchmark. Health care REITs are benefiting from a significant upswing in the important senior living segment from Covid lows, driven by improving occupancy and elevated pricing power due to the lack of new supply and demographic tailwinds. An improving cost of capital is driving accretive new investment activity. Also, investors have been intrigued by the potential benefits as the independent living segment continues to transition away from a net-lease structure and toward an owner-operated model.

Office company BXP also benefited relative performance. Despite challenges in the office segment as employers reconfigure or downsize their office needs post-Covid, investors have been encouraged by the significant difference in the behavior of both tenants and lenders for high-quality office properties that have strong public market owners. Also, the worst-case scenarios for office companies have dissipated over time, particularly as credit markets thaw.

With interest rate cuts potentially driving more affordable housing costs going forward, the portfolio benefited from a relative underweight position in the single-family rental market, including Invitation Homes. Shares sold off as the market anticipated a shift in demand from renting to purchasing single-family homes going forward.

## Detractors

Among common equity investments, the portfolio's underweight position in self-storage company Public Storage was a relative detractor during the quarter. Storage companies continued to perform well despite our concerns about lower move-in rental rates versus the average in-place rental rates.

An underweight position in data center company Digital Realty Trust also detracted. Data center companies continued to experience favorable returns as demand for new space remained strong. The underweight was predicated on our concern about the potential for slowing growth in the segment as power constraints in many key markets limit the ability for companies to develop new sites, leading tenants to explore moving to other locations.

In addition, the Fund's underweight position in health care company Welltower detracted. As discussed earlier, fundamentals remained strong for health care REIT companies. However, we continued to favor owning Ventas over Welltower given valuation differences and the historical outperformance of Welltower.

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## Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	5 years	10 years	Since inception
Share price	15 Nov 01	23.95	50.78	4.42	5.48	7.64	7.53
NAV	15 Nov 01	17.98	38.27	2.58	5.00	7.20	7.53

Performance data shown represents past performance and does not predict or guarantee future results. Current performance may be higher or lower than the data shown. NAV returns are net of fund expenses, and assume reinvestment of distributions.

Historical distribution sources have included net investment income, realized gains and return of capital.

## Distribution information

Current Distribution (Quarterly)	\$0.1700
Monthly Equivalent Distribution	\$0.0567
Distribution Rate on NAV	6.89%
Distribution Rate on Market Price	7.31%

Distribution sources may include net investment income, realized gains and return of capital. If a distribution includes anything other than net investment income, the Fund provides a notice of the best estimate of its distribution sources at that time which may be viewed at [nuveen.com/CEFdistributions](http://nuveen.com/CEFdistributions). These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms after the end of the year. You should not draw any conclusions about a fund's past or future investment performance from its current distribution rate. The fund's regular monthly distributions may be subject to federal and/or state and local taxes and may be re-characterized as ordinary income. Any re-characterization will be reported in shareholders' 1099-DIV forms after the end of the year. Income exempt from federal income tax may be subject to state and local taxes and the alternative minimum tax. Capital gains, if any, will be subject to capital gains tax.

## Top 10 positions

	% of portfolio
Prologis Inc	6.7%
Digital Realty Trust Inc	5.4%
Ventas Inc	4.7%
Simon Property Group Inc	4.3%
Highwoods Properties Inc	3.4%
Camden Property Trust	3.4%
Welltower Inc	3.3%
Equinix Inc	3.2%
Public Storage	2.7%
Kite Realty Group Trust	2.5%

Holdings may vary and are subject to change without notice.

## Fund description

The Fund's investment objective is high current income and capital appreciation.

The Fund invests primarily in income-producing common stocks, preferred stocks, convertible preferred stocks and debt securities issued by real estate companies. At least 75% of the Fund's managed assets will be in securities rated investment grade. The Fund uses leverage.

## Portfolio management

Security Capital Research & Management Incorporated (SC-R&M) is a subadviser to the Fund and is not an affiliate of Nuveen, LLC.

All characteristics as a percentage of the fund's managed assets (total assets of the fund, minus the sum of its accrued liabilities other than fund liabilities incurred for the express purpose of creating leverage). Holdings and ratings are subject to change. Totals may not add up to 100% due to rounding.

For more information contact: 800.752.8700 or visit [nuveen.com](http://nuveen.com)

## Important information on risk

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Real estate investments** may suffer due to economic downturns and changes in commercial real estate values, rents, property taxes, interest rates and tax laws. The Fund's **concentration** in real estate may involve greater risk and volatility than more diversified investments. Prices of **equity securities** may decline significantly over short or extended periods of time. **Debt or fixed income securities** such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. **Leverage increases** return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. For these

and other risks such as **preferred securities** risk, see the Fund's web page at [www.nuveen.com/JRS](http://www.nuveen.com/JRS).

**Distribution Rate** at market price and NAV is calculated by annualizing the most recent declared regular distribution and dividing by the fund's market price or NAV, respectively. Special distributions, including special capital gains distributions, are not included in the calculation.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her financial professional.

## Glossary

The **FTSE Nareit Preferred Stock Index** is designed to track the performance of the U.S. REITs preferred stocks. The **Wilshire U.S. Real Estate Securities Index ("WILRESI")** measures U.S. publicly traded real estate securities. **It is not possible to invest directly in an index.**

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