

Nuveen Variable Rate Preferred & Income Fund (NPFD)

Marketing communication | As of 30 Sep 2025

- The Fund outperformed the NPFD Blended Benchmark (the benchmark) during the quarter.
- Security selection broadly aided relative performance, combined with the Fund's longer leverage-adjusted effective duration versus the benchmark.
- An underweight to \$25 par preferred securities and a corresponding overweight to \$1000 par preferreds detracted from performance.

Portfolio review

After holding rates steady at its July meeting, the Federal Reserve (Fed) reduced the target federal funds rate by 25 basis points in September, to a range of 4.00%-4.25%. U.S. Treasury rates declined across the yield curve, with the 10-year Treasury yield ending eight basis points lower at 4.16%. Shorter rates fell more due to expectations for further cuts, while the long end remained pressured by concerns over long-term inflation and fiscal deficits, resulting in a steeper yield curve.

Lower rates and tighter spreads fueled positive fixed income returns for the quarter with spread sectors broadly outpacing Treasuries, led by the preferred securities market. Headlines specific to the two largest sectors in the combined preferred securities and U.S. dollar-denominated contingent capital securities (USD CoCos) market – banks and insurance companies – remained relatively benign. Banks, the largest issuers of preferreds and USD CoCos, released second-quarter 2025 earnings that generally exceeded expectations, a trend that has spanned a number of quarters. Second quarter earnings from insurance companies, the second largest sector in the market, were also strong as both the property and

casualty (P&C) and life subcategories performed quite well. The P&C category continued to benefit from the past decade's trend of larger players exiting catastrophe-prone geographies. Life insurance companies benefited from record issuance of annuity products over the past few years.

For the quarter, the \$25 par preferred segment of the benchmark returned 4.18%, above the 2.60% and 3.97% returns of the \$1000 par preferreds and USD CoCos segments, respectively. The option-adjusted spread (OAS) of the \$25 par preferred segment also narrowed more than the OAS of the other two segments during the quarter. In addition to the larger decrease in OAS, the \$25 par preferred segment benefited from its longer average duration since interest rates fell across the yield curve. The NPFD Blended Benchmark returned 3.03% for the quarter.

The Fund's leverage-adjusted effective duration ended the quarter at around 5.4 years, longer than the benchmark's duration of approximately 2.9 years.

Contributors

Security selection broadly contributed to relative performance.

The Fund's longer leverage-adjusted effective duration versus its benchmark also benefited quarterly performance as interest rates fell across the yield curve.

Detractors

Allocation decisions detracted from relative performance during the third quarter, notably the Fund's underweight to \$25 par preferred securities and corresponding overweight to \$1000 par preferred securities.

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Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	Since inception
Share price	15 Dec 21	6.19	17.03	14.00	2.40
NAV	15 Dec 21	4.10	8.79	10.21	2.17

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.

Distribution information

Current Distribution (Monthly)	\$0.1675
Average Earnings/Share	\$0.1023
Average Earnings/Distribution Ratio	61.06%
Average UNII Per Share	-\$0.1333
Distribution Rate on NAV	9.89%
Distribution Rate on Market Price	10.07%

Distributions are currently estimated to include the following amounts from sources other than net investment income: 0% capital gains and 43% return of capital. If a distribution is estimated to include anything other than net investment income, the Fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time which may be viewed at [nuveen.com/CEFDistributions](https://www.nuveen.com/CEFDistributions) or within the Fund's literature section under 19(a) notices. 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. The distribution rate should not be confused with yield or performance.

Credit quality (%)

	% of portfolio
AAA	0.0%
AA	0.0%
A	8.2%
BBB	68.3%
BB	20.3%
B	0.5%
NR	2.4%
Cash and Equivalents	0.2%

Ratings shown are the highest rating given by one of the following national rating agencies: S&P, Moody's, Fitch, DBRS or AM Best. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated NR are not rated by these national rating agencies and, where applicable, include net derivative positions.

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](https://www.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. **Preferred securities** are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk. **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. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **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. Certain types of preferred, hybrid or debt securities with special loss absorption provisions, such as **contingent capital securities** (CoCos), may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock. These loss absorption features work to the benefit of the security issuer, not the investor (this fund). These and other risk considerations, including the Fund's **limited term** and **concentration risk**, are described in more detail in the Shareholder Update section of the Fund's annual report at www.nuveen.com/NPFD-annual-report.

Fund description

The Fund seeks to provide a high level of current income and total return by investing in primarily investment grade, variable rate preferred securities and other variable rate income-producing securities from high quality, highly regulated companies such as banks, utilities and insurance companies. All, or almost all, of the Fund's distributions of net investment income are expected to be treated as qualified dividend income (QDI) which is generally taxed at a lower rate than interest and ordinary dividend income, assuming holding period and certain other requirements are met.

The Fund may invest up to 20% of Managed Assets in contingent capital securities or contingent convertible securities (CoCos) and up to 15% in companies located in emerging market countries but will only invest in U.S. dollar denominated securities. More than 25% of Managed Assets will be invested in securities of companies in the financial services sector.

Portfolio management

Nuveen Asset Management, LLC is the subadvisor to the Fund and an affiliate of Nuveen, LLC.

Average earnings per share and **average undistributed net investment income (UNII) per share** are estimates, using an average of the last three months, except for preferred securities funds, mortgage-backed securities funds and floating rate funds, which use an average of the last six months.

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 **NPFD Blended Benchmark** consists of 80% ICE Variable Rate Preferred & Hybrid Securities Index and 20% ICE USD Contingent Capital Index. The **ICE Variable Rate Preferred & Hybrid Securities Index** is designed to measure the performance of floating- and variable-rate investment grade and below investment grade USD-denominated preferred stock and hybrid debt publicly issued by corporations in the U.S. domestic market. The **ICE USD Contingent Capital Index (CDLR)** is designed to track the performance of USD-denominated contingent capital debt publicly issued in the major domestic and Eurobond markets, including investment grade and below investment grade issues. **It is not possible to invest directly in an index.**

Nuveen Securities, LLC, member FINRA and SIPC.