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Closed-End Funds

Understanding

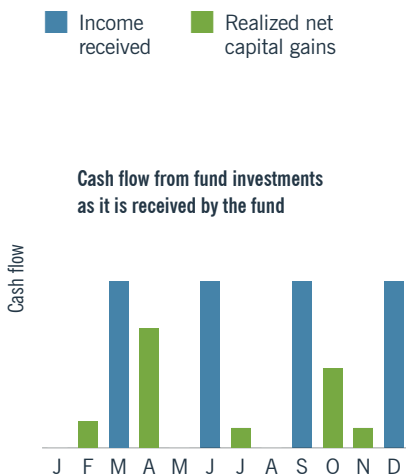
managed distributions

Managed distribution programs are typically used for closed-end funds that expect capital appreciation to comprise a meaningful portion of the fund's return, such as those with equity or alternative investment strategies. These programs **seek to convert a fund's expected long-term total return into attractive regular distributions.**

Closed-end fund managed distribution programs are designed to facilitate regular, relatively consistent distributions to shareholders, typically by 1) estimating a fund's long-term total return (both income and long-term appreciation, net of expenses) and 2) setting a regular monthly or quarterly distribution amount intended to match the fund's total distributions to its total return over time. The hypothetical example below shows how this may work over a one-year period.¹

Fund investment inflows

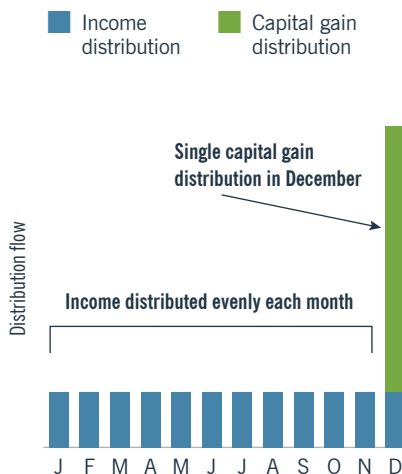
Quarterly dividend income, and capital gains realized sporadically as the portfolio manager sells appreciated securities.



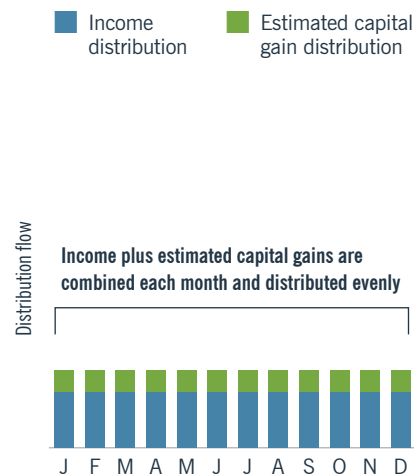
Fund distributions

Funds that generate both income and appreciation have two choices for paying distributions: regular income-only distributions plus a capital gain distribution at year end or a managed distribution program that targets more consistent distributions throughout the year.

Income-only regular distributions



Managed distribution program

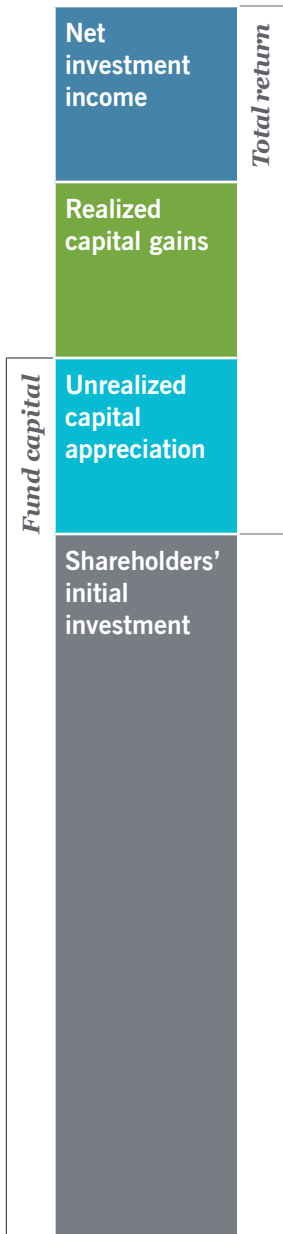


Managed distribution programs provide the potential for:

- **higher and smoother distribution levels** vs. traditional fixed income strategies²
- **attractive regular distributions** from equity and alternative investment strategies which may offer higher total return opportunities

¹ Hypothetical examples are shown for illustrative purposes only and do not represent any Nuveen fund. Net realized losses may offset net realized gains throughout the year. Managed distributions may also be paid quarterly rather than monthly. ² Versus using an income-only approach that pays a large capital gain once per year.

What is the source of each regular distribution?



Managed distribution programs have a goal of converting all of a fund's expected total return into regular distributions over the long term.

Each regular distribution is **typically set based on the portfolio's historical and expected long-term return** (appreciation and investment income net of expenses), and may include any or all of the following sources:

- Net investment income (dividends and interest, net of certain expenses)
 - Realized capital gains (long- or short-term)
 - A return of fund capital, which may consist of shareholders' initial principal plus portfolio appreciation that has not yet been realized as a capital gain, if any.
- Any time a distribution includes realized gains or fund capital, a fund must give shareholders a written notice (called a 19a notice) of estimated distribution sources.
 - At the end of the fund's tax year, the actual distribution sources are calculated and sent to shareholders via 1099-DIV tax forms.

What else is important to know about managed distribution programs?

Shareholders should compare a fund's distribution rate on net asset value (NAV) with its total return on NAV, over various time periods.

- *If total return equals or exceeds the distribution rate on NAV, the program has successfully preserved the fund's capital while paying out fund income and appreciation via regular distributions. Any return of capital represents fund appreciation that has not yet been realized as a capital gain.*
- *If total return is less than the distribution rate on NAV, some or all of the distribution represents return of capital that includes part of the shareholders' principal.*
- *It is likely that a fund will experience both cases (distributions both greater than, and less than, fund return) during an extended time period. The goal is typically to have the overall distributions roughly correspond to returns. If they do not, fund managers may change the distribution amount to better align fund distributions with the fund's actual return.*

The goal: attractive regular distributions from a variety of investment strategies

Why closed-end funds?



INCOME POTENTIAL

Designed for regular cash flow



DIVERSIFICATION

Via a broader investable universe



GREATER FLEXIBILITY

Through fully-invested portfolios

Why invest with Nuveen?

A trusted closed-end fund provider for more than thirty-five years, Nuveen offers advisors and investors dedicated client service with a legacy of integrity and innovation.

MARKET LEADERSHIP

A pioneer in long-term income and cash flow solutions

FOCUSED EXPERTISE

Active management from Nuveen and its independent investment affiliates

DEEP COMMITMENT

Pursuing long term, lasting value for financial professionals and investors

To learn more about Nuveen's closed-end funds:

Investors: Contact your Financial Professional.

Financial Professionals: Contact your Nuveen Advisor Consultant Team at 800.752.8700 or our Nuveen CEF specialist at CEFSpecialist@nuveen.com.

Visit us on the web at [nuveen.com/cef](https://www.nuveen.com/cef).

Important information on risk

Past performance is no guarantee of future results. Closed-end fund shares are subject to investment risk, including the possible loss of the entire principal amount that you invest, and there is no assurance that an investment will provide positive performance over any period of time. Common shares frequently trade at a discount to their NAV. At any point in time, your common shares may be worth less than you paid, or the net asset value, even after considering the reinvestment of fund distributions. Certain products and services may not be available to all entities or persons. There is no guarantee that the Fund's investment objectives will be achieved.

Closed-end fund historical distribution sources have included net investment income, realized gains, and return of capital. It is important to understand these sources, and also the fund's distribution rate relative to its NAV performance. You should not draw any conclusions about a fund's past or future investment performance from its current distribution rate.

Distributions may be subject to federal and/or state and local taxes, as well as the federal alternative minimum tax, and may be re-characterized as ordinary income. Capital gains, if any, are subject to capital gains tax.

The goal of the fund's managed distribution policy is to provide shareholders relatively consistent and predictable cash flow by systematically converting expected long-term return potential into regular distributions. Distribution sources may include net investment income, realized gains and return of capital. To the extent that a distribution includes a return of capital the NAV per share may erode. 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 <https://www.nuveen.com/CEFDistributions>. These estimates may not match the final tax characterization contained in shareholders' 1099-DIV forms after the end of the year. You should not draw any conclusions about the Fund's investment performance from the amount of the distribution. A distribution including return of capital does not necessarily reflect a Fund's investment performance and should not be confused with "yield" or "income."

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