

Nuveen Core Equity Alpha Fund (JCE)

Marketing communication | As of 31 Dec 2024

- The Fund underperformed the JCE Blended Benchmark (50% S&P 500[®] Index/50% CBOE S&P 500[®] BuyWrite Index) for the quarter.
- The Fund's underlying equity portfolio management contributed while its option overwrite strategy detracted from results.

Portfolio review

U.S. equities experienced significant volatility during the quarter, losing ground in October as strong economic data propelled U.S. Treasury yields higher, before rebounding in November following Donald Trump's election and optimism over his pro-growth agenda. However, the election results ultimately failed to expand market breadth, and the rally stalled in December as hawkish Federal Reserve (Fed) comments quickly dampened the enthusiasm, particularly for small-cap and value stocks. The S&P 500 Index ended the quarter up 2.41% despite some year-end weakness caused by the Fed comments, led by strong gains in the consumer discretionary and communication services sectors, while materials and health care sold off sharply.

Index implied volatility levels were elevated as investors grappled with a potential labor market slowdown and increased uncertainty about the timing and pace of the Fed's easing cycle. The Chicago Board Options Exchange Volatility Index (VIX) ranged from a high of 27.6% to a low of 12.8%. The VIX reacted strongly to the certainty of the election results and normalized by five points during the evening of November 5th.

The Fund invests in large-capitalization stocks, using a proprietary quantitative process designed to provide the potential for long-term outperformance. The equity portfolio management team draws on several insights across market sentiment, company fundamentals, and valuation mispricing.

The option overwrite management team sells call options with a notional value of up to 50% of the Fund's equity portfolio, seeking to enhance the Fund's risk-adjusted performance. The team sold deeper out-of-the-money calls, while continuing to employ a relatively new technique that involves more frequent rebalancing and more diversified option expiration dates by selling weekly and end-of-month options. By spreading the overwrite coverage out over the coming month, this approach creates a ladder of expiration dates. Given the various macroeconomic and geopolitical uncertainties during the quarter, the team slightly increased the portfolio's overwrite level. The option overwrite level ranged between 14% and 46% of the equity portfolio's value with an average option overwrite level of 32% for the quarter.

Contributors

The Fund's underlying equity portfolio contributed during the quarter driven by insights linked to the fundamental quality and sentiments expressed by brokers. Positive security selection, particularly in the health care, consumer staples, and information technology sectors, also benefited results in the underlying equity portfolio. In health care and consumer staples, out-of-index positions in Exelixis and BellRing Brands, respectively, proved beneficial. In information technology, an underweight to Advanced Micro Devices helped, as did an out-of-index position in Alaska Air Group in industrials.

While the Fund's option overwrite strategy detracted overall from performance, the team's more frequent rebalancing using more diversified option expiration dates was helpful during the quarter. The Fund also profited from several successful VIX and S&P 500[®] put option trades.

Detractors

The Fund's option overwrite strategy detracted overall from performance, particularly in December. Two days before the regular December monthly options expiration date, the Fed's outlook shift toward fewer rate cuts in 2025 caused a sharp market decline and the biggest one-day spike in the VIX[®] since 2018. Performance was hindered during this period because the strike prices of the Fund's options contracts were higher than those of the benchmark and therefore did not protect the Fund from this sudden decline.

Although the Fund's underlying equity portfolio contributed overall, insights related to the sentiments expressed by institutional investors detracted. Several individual securities also notably detracted in consumer discretionary, including an underweight in Tesla and a position in Wingstop. Additionally, an out-of-index position in Booz Allen Hamilton in industrials and a lack of exposure to Palantir in information technology hindered results.

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Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	5 years	10 years	Since inception
Share price	27 Mar 07	5.53	27.75	6.74	13.16	10.78	9.78
NAV	27 Mar 07	3.88	26.90	8.49	11.93	10.22	9.40

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 (Quarterly)	\$0.3200
Monthly Equivalent Distribution	\$0.1067
Distribution Rate on NAV	8.27%
Distribution Rate on Market Price	8.05%

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](https://www.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
Apple Inc	8.1%
Nvidia Corp	7.3%
Microsoft Corp	6.8%
Amazon.Com Inc	4.8%
Meta Platforms Inc	3.0%
Alphabet Inc	2.6%
Berkshire Hathaway Inc	2.3%
Alphabet Inc	2.2%
Tesla Inc	1.8%
Broadcom Inc	1.8%

Holdings may vary and are subject to change without notice.

Fund description

The Fund's investment objective is to provide an attractive level of total return, primarily through long term capital appreciation and secondarily through income and gains.

The Fund invests in large capitalization U.S. common stocks, using a proprietary quantitative process designed to provide the potential for long-term outperformance. The Fund also sells call options with a notional value of up to 50% of the Fund's equity portfolio in seeking to enhance risk-adjusted performance relative to an all equity portfolio.

Portfolio management

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

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. **Common stock** returns often have experienced significant volatility. The Fund may not participate in any appreciation of its equity portfolio as fully as it would if the Fund did not sell **call options**. In addition, the Fund will continue to bear the risk of declines in the value of the equity portfolio. Because **index options** are settled in cash, sellers of index call options, such as the Fund, cannot provide in advance for their potential settlement obligations by acquiring and holding the underlying securities. For these and other risks, including **tax risk**, please see the Fund's web page at www.nuveen.com/JCE.

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 **JCE Blended Index** is a blend of returns consisting of 50% of the S&P 500® Index and 50% of the CBOE S&P 500® BuyWrite Index (BXM), which is a passive total return index based on selling the near-term, at-the-money S&P 500® Index (SPX) call option against the S&P 500® Index portfolio each month, on the day the current contract expires. The **S&P 500® Index** is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. The **Cboe Volatility Index (the "VIX")** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Since its introduction in 1993, the VIX has been considered by many to be the world's premier barometer of investor sentiment and market volatility. **Overwriting** is a strategy to sell (write) options that are overpriced under the assumption that the options won't get exercised. **It is not possible to invest directly in an index.**

Nuveen Securities, LLC, member FINRA and SIPC.