

# Nuveen Real Estate Income Fund (JRS)

Marketing communication | As of 31 Dec 2024

- During the fourth quarter, the Fund underperformed 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, and its preferred holdings outperformed the FTSE Nareit Preferred Stock Index for the quarter.
- The rate-sensitive U.S. REIT common equities and U.S. REIT preferred securities segments were pressured by rising long-term interest rates during the quarter, leading the segments to underperform the broader equity market.

## Portfolio review

The Federal Reserve lowered rates twice during the fourth quarter but surprised markets by signaling a slower pace of cuts in 2025. U.S. Treasury yields rose as consumers remained resilient, inflation stayed sticky, and U.S. election results pointed to potential future pricing pressures. The public commercial real estate sector underperformed the broader market during the quarter as investors shifted away from this rate-sensitive sector amid sharply rising rates. The U.S. REIT equities segment returned -5.0% for the quarter, as measured by the Wilshire U.S. Real Estate Securities Index. The impact of rising long-term rates was also evident in the negative

returns for REIT senior securities, both perpetual preferred equity and senior unsecured bonds. The FTSE Nareit Preferred Stock Index returned -5.1% for the quarter.

The Fund's common equity holdings outperformed the return of the Wilshire U.S. Real Estate Securities Index during the fourth quarter, and its preferred holdings also outperformed the FTSE Nareit Preferred Stock Index. Compared to the previous quarter, the Fund's overweight allocation to common equity slightly increased to 69%, while its preferred securities allocation decreased slightly to 27% of its portfolio.

## Contributors

An overweight to data center company Digital Realty Trust contributed. Data center companies continued to experience healthy user demand, while investors remained intrigued by the potential for increasing demand driven by artificial intelligence (AI) innovation. New construction of data centers has also been severely constrained by electrical power availability in many key markets. The Fund's overweight was predicated on Digital Realty's focus on developing hyperscale data centers aimed at fulfilling AI-driven demand.

An underweight in Public Storage contributed. The self-storage market was negatively impacted by its interconnectedness with the slowing housing market due to rising mortgage rates. The gap between new lease rates and in-place rents also provided challenges for forward rental growth rates.

An underweight position in industrial company Rexford Industrial Realty also proved advantageous. Renewal rates for industrial companies remained positive, but the pace of growth decelerated alongside reduced demand for industrial space. This slowdown was most pronounced in the Southern California markets where Rexford Industrial operates.

## Detractors

An overweight in another data center company, Equinix, detracted during the quarter. Although Equinix benefited from the same favorable demand backdrop that Digital Realty experienced, the company's emphasis on more interconnected facilities did not result in the same level of leasing growth. Additionally, the company's development pipeline, which is less concentrated on hyperscale projects, resulted in relative underperformance versus other data center companies.

An overweight in self-storage company CubeSmart detracted. The company experienced negative effects from the same market dynamics that affected Public Storage and the rest of the storage industry. Contrary to our expectations, CubeSmart's emphasis on higher-density and higher-income markets did not mitigate the impact.

In addition, the Fund's overweight position in cell tower company SBA Communications detracted. The company continued to see weak incremental leasing as compelling use cases for 5G buildout remained elusive. A lack of near-term growth, combined with rising cost of capital, continued to be a challenge for the cell tower companies.

# Nuveen Real Estate Income Fund (JRS)

As of 31 Dec 2024

## Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	5 years	10 years	Since inception
Share price	15 Nov 01	-5.38	19.65	-4.20	4.67	5.89	7.19
NAV	15 Nov 01	-6.69	10.28	-4.40	3.44	5.20	7.13

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	7.52%
Distribution Rate on Market Price	7.88%

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	6.1%
Digital Realty Trust Inc	5.2%
Ventas Inc	4.2%
Simon Property Group Inc	4.0%
Equinix Inc	3.9%
Highwoods Properties Inc	3.5%
Camden Property Trust	3.3%
Welltower Inc	2.8%
Federal Realty Investment Trust	2.6%
Kite Realty Group Trust	2.4%

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.**

Nuveen Securities, LLC, member FINRA and SIPC.