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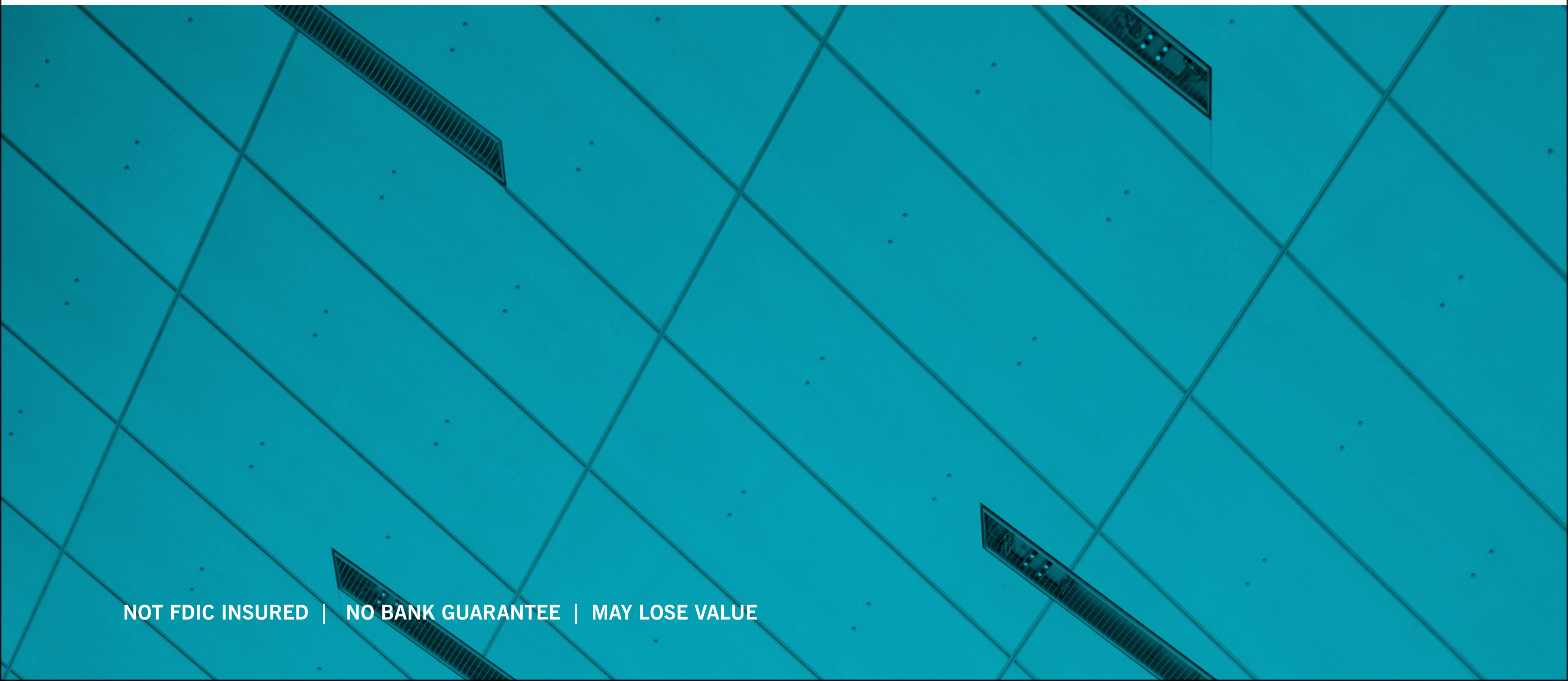
Understanding
closed-end fund structures

For many years, all closed-end funds (CEFs) were structured as perpetual funds, meaning they have no "maturity" or termination date. The introduction of CEFs with defined terminations — term and target term funds — has created additional opportunities for investors.

On the following pages, we provide an overview of the features and mechanics of these three CEF structures, how they compare, and factors to consider when evaluating each.



All closed-end funds (CEFs), regardless of their structure, have some basic features in common:

- *They raise investment capital by offering a fixed number of shares through an initial public offering (IPO)*
- *Following the IPO, fund shares trade in the open market on an exchange.*
- *Investors can purchase fund shares during the IPO and/or after the IPO via the exchange.*

The primary differences between perpetual, term and target term funds are the options available to investors looking to exit their fund investments and what they can expect to receive.

Perpetual funds

Because perpetual CEFs don't have a termination date, shareholders looking to exit their investment sell their shares on the exchange at the current market price, which may be more or less than their purchase price.

CEF IPO Shares trade in the open market Fund has no termination date[1]

Shareholders sell shares at their discretion and receive the market price per share

Why consider a perpetual CEF?

Investors may choose a perpetual fund because they can remain invested in the fund until they decide to sell their shares. Given that the majority of CEFs today are perpetual, investors also have more choices when it comes to strategies and asset classes in which to invest.

KEY CEF PRICING CONCEPTS

CEFs have a NAV and a market price, which can and often do differ.

NAV: Net asset value per share of the fund's portfolio, calculated as:

$$\frac{\text{fund assets – fund liabilities}}{\text{number of outstanding shares}}$$

Market price: Price per share at which an investor can buy or sell fund shares on the exchange. May be higher or lower than the NAV.

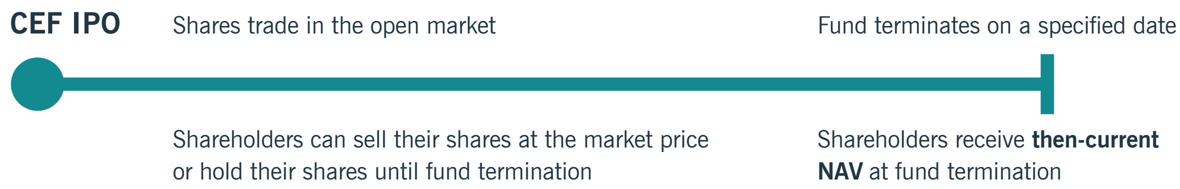
Discount = Market price is lower than NAV

Premium = Market price is higher than NAV

1 Although the fund has no specified termination date, it can be terminated upon notice to shareholders.

Term funds

A term fund has a specified termination date at which time the fund's portfolio is liquidated. Investors who own shares when the fund terminates receive a cash payment equal to the NAV per share at that time. This NAV may be higher or lower than what the investor originally paid.



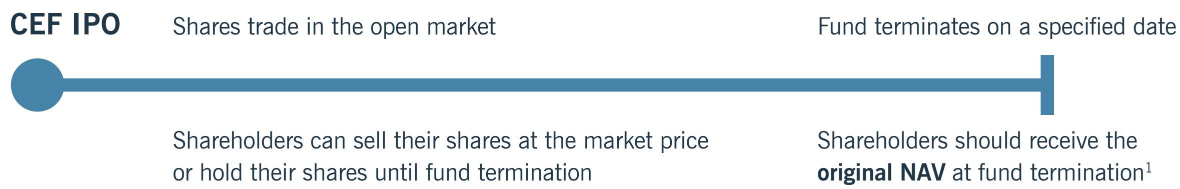
Why consider a term CEF?

Investors may prefer a term CEF because they have a specific investment time horizon that aligns with the fund's termination date and know they will receive the NAV per share at that time. Since CEF NAVs tend to be more stable and predictable than prices set in the market, a term fund's return of NAV can provide a greater level of price certainty than selling shares in the open market.

Target term funds

Like term CEFs, target term funds have a defined termination date. However, target term CEFs seek to return a *specific, predetermined* amount per share to shareholders when the fund terminates, rather than whatever amount the then-current NAV represents. At Nuveen, this amount is the NAV at the time of the IPO ("original NAV").[1] Therefore, shareholders who purchased their shares at the IPO expect to receive the same NAV per share that they originally paid. Shareholders who purchased shares after the IPO should also receive the original NAV, but that may be more or less than the price they paid for their shares.

Because one of the goals of a target term CEF is to return the original NAV to shareholders, the fund's managers will manage the portfolio to help ensure sufficient assets are available at termination to meet this objective.[2] For this same reason, bond strategies are more prevalent in target term as well as term funds because bond maturities can be more easily aligned to a fund's termination date.



Why consider a target term CEF?

The appeal of target term CEFs is two-fold: the defined life of the fund which, like term funds, enables investors to plan to future investments or expenses, and the fact that shareholders know specifically what amount per share the fund is targeting to return. For shareholders who bought on the IPO, this amount is equal to their initial principal investment.

1 The objective to return the Fund's original NAV is not an express or implied guarantee obligation of the Fund.

2 This typically includes limiting the fund's investment to securities with maturities near that of the fund's termination, and may include retaining a portion of the fund's earnings which would reduce fund distributions prior to termination.

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 advisors and investors

To learn more about Nuveen's perpetual, term and target term CEFs, all of which are designed to provide attractive regular distributions:

Investors: Contact your Financial Professional.

Financial Advisors: Contact your Nuveen Advisor Consultant Team at 800.752.8700.

Visit us on the web at nuveen.com/cef.

Important information on risk

Closed-end fund shares are subject to investment risk, including the possible loss of the entire principal amount that you invest. 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, even after considering the reinvestment of fund distributions. Closed-end fund historical distribution sources have included net investment income, realized gains, and return of capital.

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 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 professionals.

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