

NUVEEN REAL ESTATE INCOME FUND  
Form N-CSRS  
September 05, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-10491

Nuveen Real Estate Income Fund  
(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606  
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606  
(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: December 31

Date of reporting period: June 30, 2013

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

## Edgar Filing: NUVEEN REAL ESTATE INCOME FUND - Form N-CSRS

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Closed-End Funds

Nuveen Investments

Closed-End Funds

*Seeks High Current Income from a Portfolio of Commercial Real Estate Investments*

Semi-Annual Report

June 30, 2013

**Nuveen Real Estate  
Income Fund**

**JRS**

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If you receive your Nuveen Fund distributions and statements directly from Nuveen.

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Letter to Shareholders

**Dear Shareholders,**

After nine years of serving as lead director and independent chairman of the Nuveen Fund Board, my term of office has come to an end as of June 30, 2013. It has been a privilege to use this space to communicate with you on some of the broad economic trends in the U.S. and abroad and how they are impacting the investment environment in which your funds operate. In addition, I have enjoyed offering some perspective on how your Board views the various Nuveen investment teams as they apply their investment disciplines in that investment environment.

My term has coincided with a particularly challenging period for both mutual fund sponsors and investors. Since 2000 there have been three periods of unusually strong stock market growth and two major market declines. Recent years have been characterized by a search for yield in fixed income securities to compensate for an extended period of very low interest rates. Funds are investing more in foreign and emerging markets that require extensive research capabilities to overcome the more limited transparency and higher volatility in those markets. New fund concepts often incorporate derivative financial instruments that offer efficient ways to hedge investment risk or gain exposure to selected markets. Fund trading teams operate in many new domestic and international venues with quite different characteristics. Electronic trading and global communication networks mean that fund managers must be able to thrive in financial markets that react instantaneously to newsworthy events and are more interconnected than ever.

Nuveen has committed additional resources to respond to these changes in the fund industry environment. It has added IT and research resources to assemble and evaluate the increased flow of detailed information on economies, markets and individual companies. Based on its experience during the financial crisis of 2008-09, Nuveen has expanded its resources dedicated to valuing and trading portfolio securities with a particular focus on stressed financial market conditions. It has added systems and experienced risk management professionals to work with investment teams to better help evaluate whether their funds' risk exposures are appropriate in view of the return targets. The investment teams have also reflected on recent experience to reaffirm or modify their investment disciplines. Finally, experienced professionals and IT resources have been added to address new regulatory requirements designed to better inform and protect investors. The Nuveen Fund Board has enthusiastically encouraged these initiatives.

The Board has always viewed itself as your representatives to assure that Nuveen brings together experienced people, proven technologies and effective processes designed to produce results that meet investor expectations. It is important to note that our activities are highlighted by the annual contract renewal process. Despite its somewhat formal language, I strongly encourage you to read the summary because it offers an insight into our oversight process. The report is included in the back of this shareholder report. The renewal process is very comprehensive and includes a number of evaluations and discussions between the Board and Nuveen during the year. The summary also describes what has been achieved across the Nuveen fund complex and at individual funds such as yours.

As I leave the chairmanship and resume my role as a member of the Board, please be assured that I and my fellow Board members will continue to hold your interests uppermost in our minds as we oversee the management of your funds and that we greatly appreciate your confidence in your Nuveen fund.

Very sincerely,

Robert P. Bremner  
August 22, 2013

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## Portfolio Managers' Comments

### Nuveen Real Estate Income Fund (JRS)

*The Fund is managed by a team of real estate investment professionals at Security Capital Research & Management Incorporated, a wholly-owned subsidiary of JPMorgan Chase & Company. Anthony R. Manno Jr., Kenneth D. Statz and Kevin W. Bedell lead the team and have managed JRS since its inception in 2001.*

*Here they talk about their management strategy and performance of the Fund over the six-month reporting period ended June 30, 2013.*

### **What key strategies were used to manage the Fund during this six-month reporting period ended June 30, 2013?**

The Fund is designed to invest at least 90% of its assets in income producing common stocks, preferred stocks, convertible preferred stocks and debt securities issued by real estate companies, with at least 80% of its total assets invested in income producing equity securities issued by Real Estate Investment Trust (REITs).

In managing the JRS portfolio, we sought to maintain significant property type and geographic diversification while taking into account company credit quality, sector and security-type allocations. Investment decisions are based on a multi-layered analysis of the company, the real estate it owns, its management and the relative price of the security, with a focus on securities that we believe will be best positioned to generate sustainable income and potential price appreciation over the long-run.

Across all real estate sectors, Security Capital favored companies with properties located in the strongest infill markets, where most of the properties are built to fill in remaining spaces. These "high barrier to entry" markets are defined by constraints that limit new construction, a quality that over the long-term has the potential to provide superior value enhancement and a real inflation hedge.

In addition to fundamental security research, the proportion of the Fund invested in common equity versus preferred and fixed income investments is a key tactic we use to manage risk at a portfolio level. In general, in times of strong economic growth we position the portfolio towards more ownership of equity. In highly uncertain times, we tend to favor more allocation toward preferred and debt securities. The allocation for the portfolio between equity, preferred and debt investments as of June 30, 2013 was 59% in equity, 37% in preferred and 4% in cash. This allocation is in-line

**Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Fund disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.**

**Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investors Service, Inc. or Fitch, Inc. 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. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.**

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with the long-term "normal" allocation for managing this portfolio and reflects our strategy of balancing growth and risk in an economy experiencing a slow but uneven recovery.

**How did the Fund perform during this six-month reporting period ended June 30, 2013?**

The table in the Fund Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the six-month, one-year, five-year and ten-year periods ended June 30, 2013. For the six-month period ended June 30, 2013, the Fund's common shares at net asset value (NAV) outperformed its comparative index and the Wilshire U.S. Select Real Estate Securities Index (RESI).

During the six-month reporting period, there were distinctive performance differences by property type with the underlying themes and influences reflecting company-specific factors, earlier period performance differentials as well as shifting investor expectations colored by macro-economic trends. In a reversal from the first quarter of 2013 and much of 2012, investors pivoted away from risk during the second quarter of 2013 as rising rates impacted perspectives on absolute and relative value across the REIT universe. In this context, the performance leaders by major property type during the second quarter were underperformers during the first quarter.

The Fund's performance benefited from its selection and weightings among its preferred equity investments as well as the Fund's overweight to multi-family equity securities.

The Fund's selection of health care and office equity investments negatively impacted benchmark performance during the reporting period.

The value of commercial real estate owned by REIT's is positively affected by improved fundamentals (rising occupancy, rising rental rates) that generally accompany a rising interest rate environment. A rise in interest rates would otherwise have a clearly negative effect on real estate values because it may increase investor rate of return expectations in a capital intensive industry. We forecast a modestly positive return environment for REIT's over the next 3 to 5 years because current pricing, although volatile, generally incorporates a balanced view on both property fundamentals and rising capital costs.

As an active manager of REIT allocations, we also are tilting portfolio weights toward those property types that have the best fundamental position over the forecast period because we believe they can generate the best growth profile to offset rising interest rates. Currently, the apartment and regional mall fundamentals are featured in our allocation mix due to their high occupancy rates and strong fundamental demand in an improving economy.

Fund Leverage

**IMPACT OF THE FUND'S LEVERAGE STRATEGY ON PERFORMANCE**

One important factor impacting the returns of the Fund relative to the comparative benchmark and indexes was the Fund's use of leverage through the use of bank borrowings. The Fund uses leverage because its managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by the Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by the Fund generally are rising. Leverage had a positive impact on the performance of the Fund over this reporting period. During the period, the Fund held swap contracts in order to hedge leverage costs, which slightly detracted from the overall positive contribution of leverage.

**THE FUND'S REGULATORY LEVERAGE**

*Bank Borrowings*

As discussed previously, the Fund employs regulatory leverage through the use of bank borrowings. As of June 30, 2013, the Fund has outstanding bank borrowings of \$137,500,000.

Refer to Notes to Financial Statements, Footnote 8 Borrowing Arrangements for further details.

As of June 30, 2013, the Fund's percentages of leverage are as shown in the accompanying table.

	<b>Effective Leverage*</b>	<b>Regulatory Leverage*</b>
JRS	30.80%	30.80%

\* Effective leverage is the Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of the Fund. Both of these are part of the Fund's capital structure. Regulatory leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set forth in the Investment Company Act of 1940.

## Common Share Information

**Distribution Information**

The following information regarding the Fund's distributions is current as of June 30, 2013, and likely will vary over time based on the Fund's investment activities and portfolio investment value changes.

During the current reporting period, the Fund's quarterly distributions to common shareholders were as shown in the accompanying table.

<b>JRS</b>	<b>Per Common Share Amounts</b>
March	\$ 0.2400
June	0.2400
Current Distribution Rate*	8.07%

\* Current Distribution Rate is based on the Fund's current annualized quarterly distribution divided by the Fund's current market price. The Fund's quarterly distributions to its shareholders may be comprised of ordinary income, net realized capital gains and, if at the end of the fiscal year the Fund's cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a return of capital for tax purposes.

The Fund employs financial leverage through the use of bank borrowings. Financial leverage provides the potential for higher earnings (net investment income), total returns and distributions over time, but also increases the variability of common shareholders' net asset value per share in response to changing market conditions.

The Fund has a managed distribution program. The goal of this program is to provide common shareholders with relatively consistent and predictable cash flow by systematically converting the Fund's expected long-term return potential into regular distributions. As a result, regular common share distributions throughout the year are likely to include a portion of expected long-term gains (both realized and unrealized), along with net investment income.

Important points to understand about the managed distribution program are:

- The Fund seeks to establish a relatively stable common share distribution rate that roughly corresponds to the projected total return from its investment strategy over an extended period of time. However, you should not draw any conclusions about the Fund's past or future investment performance from its current distribution rate.
- Actual common share returns will differ from projected long-term returns (and therefore the Fund's distribution rate), at least over shorter time periods. Over a specific timeframe, the difference between actual returns and total distributions will be reflected in an increasing (returns exceed distributions) or a decreasing (distributions exceed returns) Fund net asset value.
- Each distribution is expected to be paid from some or all of the following sources:
  - net investment income (regular interest and dividends),
  - realized capital gains and

- unrealized gains, or, in certain cases, a return of principal (non-taxable distributions).
- A non-taxable distribution is a payment of a portion of the Fund's capital. When the Fund's returns exceed distributions, it may represent portfolio gains generated, but not realized as a taxable capital gain. In periods when the Fund's returns fall short of distributions, the shortfall will represent a portion of your original principal, unless the shortfall is

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offset during other time periods over the life of your investment (previous or subsequent) when the Fund's total return exceeds distributions.

- Because distribution source estimates are updated during the year based on the Fund's performance and forecast for its current fiscal year (which is the calendar year for the Fund), estimates on the nature of your distributions provided at the time the distributions are paid may differ from both the tax information reported to you in your Fund's IRS Form 1099 statement provided at year end, as well as the ultimate economic sources of distributions over the life of your investment.

The following table provides estimated information regarding the Fund's common share distributions and total return performance for the six months ended June 30, 2013. This information is provided on a tax basis rather than a generally accepted accounting principles (GAAP) basis. This information is intended to help you better understand whether the Fund's returns for the specified time period were sufficient to meet the Fund's distributions.

<b>As of June 30, 2013 (Common Shares)</b>	<b>JRS</b>
Inception date	11/15/01
Six months ended June 30, 2013:	
Per share distribution:	
From net investment income	\$ 0.18
From realized capital gains	0.30
Return of capital	0.00
Total per share distribution	\$ 0.48
Annualized distribution rate on NAV	8.94%
Average annual total returns:	
Excluding retained gain tax credit/refund**:	
6-Month (Cumulative) on NAV	6.94%
1-Year on NAV	9.91%
5-Year on NAV	4.44%
10-Year on NAV	6.03%
Including retained gain tax credit/refund**:	
6-Month (Cumulative) on NAV	6.94%
1-Year on NAV	9.91%
5-Year on NAV	4.44%
10-Year on NAV	6.92%

\*\* The Fund elected to retain a portion of its realized long-term capital gains for the tax years ended December 31, 2007 and December 31, 2006, and pay required federal corporate income taxes on these amounts. As reported on Form 2439, Common shareholders on record date must include their pro-rata share of these gains on their applicable federal tax returns, and are entitled to take offsetting tax credits, for their pro-rata share of the taxes paid by the Fund. The total returns "Including retained gain tax credit/refund" include the economic benefit to Common shareholders on record date of these tax credits/refunds. The Fund had no retained capital gains for the tax years ended December 31, 2012 through December 31, 2008 or for the tax years ended prior to December 31, 2006.

### Common Share Repurchases

The Fund has not repurchased any of its outstanding common shares since the inception of its repurchase program.



**Common Share Other Information**

As of June 30, 2013, and during the current reporting period, the Fund's common share price was trading at a premium/(discount) to its common share NAV as shown in the accompanying table.

	<b>JRS</b>
Common Share NAV	\$ 10.74
Common Share Price	\$ 11.90
Premium/(Discount) to NAV	10.80%
6-Month Average Premium/(Discount) to NAV	8.41%

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## Risk Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

**Investment, Market and Price Risk.** An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Fund, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like the Fund frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

**Leverage Risk.** The Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price and distributions. Leverage risk can be introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in the Fund's portfolio. Leverage typically magnifies the total return of the Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that the Fund's leveraging strategy will be successful.

**Tax Risk.** The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations. This is particularly true for funds employing a managed distribution program.

**Real Estate Risks.** The Fund's performance is linked to the performance of the commercial real estate markets, which may fall due to increasing vacancies, declining rents or the failure of borrowers to pay their loans.

**Common Stock Risk.** Common stock returns often have experienced significant volatility.

**Issuer Credit Risk.** This is the risk that a security in the Fund's portfolio will fail to make dividend or interest payments when due.

**Dividend Income Risk.** There is no guarantee that the issuers of common stocks in which the Fund invests will declare dividends in the future or that, if declared, they will remain at current levels or increase over time.

**Preferred Stock Risk.** Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk.

**Derivatives Strategy Risk.** Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying investments.

**Interest Rate Risk.** Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

**Interest Rate Swaps Risk.** The risk that yields will move in the direction opposite to the direction anticipated by a Fund, which would cause a Fund to make payments to its counterparty in the transaction that could adversely affect the Fund's performance.

**Reinvestment Risk:** If market interest rates decline, income earned from the Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

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**Nuveen Real Estate Income Fund (JRS)****Performance Overview and Holding Summaries as of June 30, 2013****Average Annual Total Returns as of June 30, 2013**

	<b>Cumulative 6-Month</b>	<b>1-Year</b>	<b>Average Annual 5-Year</b>	<b>10-Year</b>
JRS at Common Share NAV	6.94%	9.91%	4.44%	6.03%
JRS at Common Share Price	18.17%	18.98%	7.59%	7.07%
Specialized Real Estate Securities Benchmark	3.51%	8.28%	10.46%	9.74%
Wilshire U.S. Select Real Estate Securities Index (RESI)	5.68%	7.67%	6.82%	10.77%
S&P 500® Index	13.82%	20.60%	7.01%	7.30%

**Average Annual Total Returns as of June 30, 2013<sup>3</sup> (including retained gain tax credit/refund)**

	<b>Cumulative 6-Month</b>	<b>1-Year</b>	<b>Average Annual 5-Year</b>	<b>10-Year</b>
JRS at Common Share NAV	6.94%	9.91%	4.44%	6.92%
JRS at Common Share Price	18.17%	18.98%	7.59%	7.87%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Share Price Performance Weekly Closing Price**

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**Portfolio Composition<sup>1,2</sup>****(as a % of total investments)**

Retail	28.7%
Specialized	18.8%
Office	16.1%
Residential	11.6%
Hotels, Restaurants & Leisure	8.3%
Diversified	6.0%
Short-Term Investments	5.6%
Industrial	4.9%

**Portfolio Allocation<sup>1,2</sup>****(as a % of total investments)**

Real Estate Investment Trust Common Stock	58.6%
Real Estate Investment Trust Preferred Stocks	29.3%
Convertible Preferred Securities	6.5%
Short-Term Investments	5.6%

**Top Five Common Stock Issuers<sup>1,2</sup>****(as a % of total investments)**

Simon Property Group, Inc.	6.4%
Prologis, Inc.	4.2%
Equidity Residential	3.9%
Public Storage, Inc.	3.1%
Health Care Property Investors, Inc.	3.0%

**Top Five Preferred Stock Issuers<sup>1,2</sup>****(as a % of total investments)**

CBL & Associates Properties, Inc.	3.3%
Highwoods Properties, Inc.	3.2%
Hospitality Properties Trust	2.9%
General Growth Properties, Inc.	2.3%
Taubman Centers, Inc.	2.0%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this page.

1 Holdings are subject to change.

2 Excluding investments in derivatives.

3 As previously explained in the Common Share Information section of this report, the Fund elected to retain a portion of its realized long-term capital gains for the tax years ended December 31, 2007 and December 31, 2006, and pay required federal corporate income taxes on these amounts. These standardized total returns include the economic benefit to Common shareholders of record of this tax

credit/refund. The Fund had no retained capital gains for the tax years ended December 31, 2012 through December 31, 2008 or for the tax years ended prior to December 31, 2006.

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## Shareholder Meeting Report

The annual meeting of shareholders was held in the offices of Nuveen Investments on April 3, 2013; at this meeting the shareholders were asked to vote on the election of Board Members.

	<b>JRS</b> Common Shares
<b>Approval of the Board Members was reached as follows:</b>	
William C. Hunter	
For	24,962,546
Withhold	593,706
Total	25,556,252
Judith M. Stockdale	
For	24,956,391
Withhold	599,861
Total	25,556,252
Carole E. Stone	
For	24,939,559
Withhold	616,693
Total	25,556,252
Virginia L. Stringer	
For	24,979,827
Withhold	576,425
Total	25,556,252

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Nuveen Real Estate Income Fund

Portfolio of Investments

June 30, 2013 (Unaudited)

Shares	Description (1)	Value
	<b>Real Estate Investment Trust Common Stocks 85.7% (58.6% of Total Investments)</b>	
	<b>Diversified 4.8%</b>	
94,780	Colonial Properties Trust	\$ 2,286,094
167,300	Duke Realty Corporation	2,608,207
121,660	Vornado Realty Trust	10,079,531
	Total Diversified	14,973,832
	<b>Hotels, Restaurants &amp; Leisure 5.8%</b>	
499,825	Host Hotels & Resorts Inc.	8,432,045
169,900	RLJ Lodging Trust	3,821,051
33,200	Starwood Hotels & Resorts Worldwide, Inc.	2,097,908
290,250	Sunstone Hotel Investors Inc., (3)	3,506,220
	Total Hotels, Restaurants & Leisure	17,857,224
	<b>Industrial 6.2%</b>	
505,647	Prologis Inc.	19,073,005
	<b>Office 12.3%</b>	
66,850	Alexandria Real Estate Equities Inc.	4,393,382
391,690	BioMed Realty Trust Inc.	7,923,889
88,150	Boston Properties, Inc.	9,297,181
158,450	Douglas Emmett Inc.	3,953,328
232,230	Mack-Cali Realty Corporation	5,687,313
76,300	SL Green Realty Corporation	6,728,897
	Total Office	37,983,990
	<b>Residential 16.8%</b>	
360,070	Apartment Investment & Management Company, Class A	10,816,503
89,088	AvalonBay Communities, Inc.	12,018,862
307,570	Equity Residential	17,857,514
20,900		3,321,428

	Essex Property Trust Inc.	
309,030	UDR, Inc.	7,877,175
	Total Residential	51,891,482
	<b>Retail 22.3%</b>	
25,650	Federal Realty Investment Trust	2,659,392
497,699	General Growth Properties, Inc.	9,889,279
314,800	Kimco Realty Corporation	6,746,164
176,477	Macerich Company	10,759,803
114,360	Regency Centers Corporation	5,810,632
183,999	Simon Property Group, Inc.	29,057,122
128,150	Weingarten Realty Trust	3,943,176
	Total Retail	68,865,568
	<b>Specialized 17.5%</b>	
46,350	Extra Space Storage Inc.	1,943,456
300,760	Health Care Property Investors, Inc.	13,666,534
193,570	Health Care REIT, Inc.	12,974,997
90,637	Public Storage, Inc., (2)	13,897,371
50,000	Public Storage, Inc.	1,250,000

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Nuveen Real Estate Income Fund (continued)

Portfolio of Investments June 30, 2013 (Unaudited)

Shares	Description (1)			Value
	<b>Specialized</b> (continued)			
151,840	Ventas, Inc.			\$ 10,546,806
	Total Specialized			54,279,164
	<b>Total Real Estate Investment Trust Common Stocks</b> (cost \$193,959,405)			<b>264,924,265</b>
Shares	Description (1)	Coupon	Ratings (4)	Value
	<b>Convertible Preferred Securities</b>	<b>9.5% (6.5% of Total Investments)</b>		
	<b>Office 2.5%</b>			
340,306	CommonWealth REIT	6.500%	Ba1	\$ 7,844,053
	<b>Specialized 7.0%</b>			
346,000	Health Care REIT	6.500%	Baa3	21,483,140
	<b>Total Convertible Preferred Securities</b> (cost \$25,209,937)			<b>29,327,193</b>
Shares	Description (1)	Coupon		Value
	<b>Real Estate Investment Trust Preferred Stocks</b>		<b>43.1% (29.3% of Total Investments)</b>	
	<b>Diversified 4.0%</b>			
156,000	Duke Realty Corporation, Series K	6.500%		\$ 3,893,760
111,000	PS Business Parks, Inc.	6.450%		2,791,650
222,014	Vornado Realty Trust	6.875%		5,727,961
	Total Diversified			12,413,371
	<b>Hotels, Restaurants &amp; Leisure 6.4%</b>			
522,491	Hospitality Properties Trust	7.000%		13,171,998
139,400	Strategic Hotel Capital Inc., Series B	8.250%		3,359,540
141,200	Strategic Hotel Capital Inc., Series C	8.250%		3,374,680
	Total Hotels, Restaurants & Leisure			19,906,218
	<b>Industrial 1.0%</b>			
114,700	Terreno Realty Corporation	7.750%		2,911,086
	<b>Office 8.8%</b>			
40,000	Brandywine Realty Trust, Series D	6.900%		1,027,200
144,550	CommonWealth REIT	7.250%		3,628,205
12,359		8.625%		14,498,652

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	Highwoods Properties, Inc., Series A, (8)		
303,000	Hudson Pacific Properties Inc.	8.375%	8,014,350
	Total Office		27,168,407
	<b>Retail 19.8%</b>		
594,000	CBL & Associates Properties Inc.	7.375%	15,028,200
449,650	General Growth Properties, (3)	6.375%	10,422,887
50,964	Glimcher Realty Trust, Series G	8.125%	1,277,158
95,000	Glimcher Realty Trust	6.875%	2,340,800
158,000	Inland Real Estate Corporation	8.250%	4,084,300
29,000	Kimco Realty Corporation	6.900%	743,270
59,200	Kimco Realty Corporation	6.000%	1,473,488
175,000	Regency Centers Corporation	6.625%	4,452,000
61,120	Saul Centers, Inc.	8.000%	1,584,230
144,000	Saul Centers, Inc.	6.875%	3,672,000
374,200	Taubman Centers Incorporated, Series K, (3)	6.250%	9,085,576
62,650	Taubman Centers Incorporated., Series J	6.500%	1,555,600
30,700	Urstadt Biddle Properties	7.125%	794,823
185,702	Weingarten Realty Trust	6.500%	4,662,977
	Total Retail		61,177,309

Nuveen Investments

Shares	Description (1)	Coupon		Value
	<b>Specialized 3.1%</b>			
50,000	Public Storage, Inc.	6.500%		\$ 1,282,000
320,650	Public Storage, Inc.	6.350%		8,192,608
	Total Specialized			9,474,608
	<b>Total Real Estate Investment Trust Preferred Stocks (cost \$132,126,772)</b>			<b>133,050,999</b>
Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	<b>Short-Term Investments</b>	<b>8.3% (5.6% of Total Investments)</b>		
\$ 25,547	Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/30/13, repurchase price \$25,547,107, collateralized by \$26,525,000 U.S. Treasury Notes, 1.000%, due 5/31/18, value \$26,060,813	0.010%	7/01/13	\$ 25,547,086
	<b>Total Short-Term Investments (cost \$25,547,086)</b>			<b>25,547,086</b>
	<b>Total Investments (cost \$376,843,200)</b>			<b>452,849,543</b>
	<b>146.6%</b>			
	<b>Borrowings (44.5%) (5), (6)</b>			<b>(137,500,000)</b>
	<b>Other Assets Less Liabilities (2.1%) (7)</b>			<b>(6,369,819)</b>
	<b>Net Assets Applicable to Common Shares</b>			<b>\$ 308,979,724</b>
	<b>100%</b>			

Investments in Derivatives as of June 30, 2013

**Swaps outstanding:**

Counterparty	Notional Amount	Fund Pay/Receive	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency (9)	Effective Date	Termination Date	Unrealized Appreciation (Depreciation) (7)
JPMorgan	\$ 20,727,500	Receive	USD-LIBOR 1-Month	1.412%	Monthly	3/29/11	11/29/14	\$ (186,968)
JPMorgan	35,761,000	Receive	USD-LIBOR 1-Month	1.255	Monthly	12/01/11	12/01/18	1,136,008

		1-Month			
JPMorgan	35,761,000	Receive USD-LIBOR	1.673	Monthly12/01/11	1,881,680
Morgan		1-Month		12/01/20	
Stanley	20,727,500	Receive USD-LIBOR	2.323	Monthly3/29/11	(973,984)
				13/29/16	
	<b>\$112,977,000</b>				<b>\$ 1,856,736</b>

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.

(2) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.

(3) Non-income producing; issuer has not declared a dividend within the past twelve months.

(4) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(5) Borrowings as a percentage of Total Investments is 30.4%.

(6) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of the end of the reporting period investments with a value of \$293,662,104 have been pledged as collateral for Borrowings.

(7) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives as of the end of the reporting period.

(8) For fair value measurement disclosure purposes, Real Estate Investment Trust Preferred Stocks categorized as Level 2. See Notes to Financial Statements, Footnote 2 Investment Valuation and Fair Value Measurements for more Information.

(9) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each swap contract.

REIT Real Estate Investment Trust.

USD-LIBOR United States Dollar London Inter-Bank Offered Rate.

*See accompanying notes to financial statements.*



## Statement of

## ASSETS &amp; LIABILITIES

June 30, 2013 (Unaudited)

**Assets:**

Investments, at value (cost \$376,843,200)	\$452,849,543
Unrealized appreciation on swaps, net	2,830,720
Receivables:	
Dividends	1,942,949
Interest	21
Other assets	66,792
Total assets	457,690,025

**Liabilities:**

Borrowings	137,500,000
Unrealized depreciation on swaps	973,984
Payables:	
Common share dividends	6,573,619
Investments purchased	3,126,332
Accrued expenses:	
Interest on borrowings	17,338
Management fees	318,804
Trustee fees	67,054
Other	133,17