NUVEEN SENIOR INCOME FUND
Form 486BPOS
November 30, 2011

NUVEEN SENIOR INCOME FUND

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON NOVEMBER 30, 2011

File No. 333-167328

File No. 811-09571

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

(Check appropriate box or boxes)

x **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

x **Post-Effective Amendment No. 4**

and/or

x **REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**

x **Amendment No. 9**

NUVEEN SENIOR INCOME FUND

(Exact Name of Registrant as Specified in Charter)

333 WEST WACKER DRIVE, CHICAGO, ILLINOIS 60606

(Address of Principal Executive Offices (Number, Street, City, State, Zip Code)

(800) 257-8787

(Registrant s Telephone Number, including Area Code)

Kevin J. McCarthy

Vice President and Secretary

333 West Wacker Drive

Chicago, Illinois 60606

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service

Copies to:

Monica L. Parry

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue, NW

Washington, DC 20004

Approximate Date of Proposed Public Offering:

As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. x

It is proposed that this filing will become effective (check appropriate box)

¨ When declared effective pursuant to section 8(c)

x Immediately upon filing pursuant to no-action relief granted to Registrant on November 9, 2010.

PROSPECTUS

2.9 Million Common Shares

Nuveen Senior Income Fund

Nuveen Senior Income Fund (the Fund) is a non-diversified, closed-end management investment company. The Fund s primary investment objective is to achieve a high level of current income, consistent with preservation of capital. The Fund cannot assure you that it will achieve its investment objective.

Investing in the Fund s Common Shares involves certain risks that are described in the Risk Factors section of this Prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should read this Prospectus, which contains important information about the Fund, before deciding whether to invest and retain it for future reference. A Statement of Additional Information (SAI), dated November 30, 2011, containing additional information about the Fund, has been filed with the SEC and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the SAI, the table of contents of which is on the last page of this Prospectus, annual and semi-annual reports to shareholders and other information about the Fund, and make shareholder inquiries by calling (800) 257-8787, by writing to the Fund or from the Fund s website (http://www.nuveen.com). The information contained in, or that can be accessed through, the Fund s website is not part of this Prospectus. You also may obtain a copy of the SAI (and other information regarding the Fund) from the Securities and Exchange Commission s (SEC) web site (http://www.sec.gov).

The Fund s common shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency.

Portfolio Contents. Under normal circumstances, the Fund will invest at least 80% of its Managed Assets (as defined on page 3) in adjustable rate, U.S. dollar-denominated secured and unsecured senior loans (Senior Loans), which unsecured Senior Loans will be, at the time of investment, investment grade quality. The Fund will invest at least 65% of its total assets in Senior Loans that are secured by specific collateral. Senior Loans are made to corporations, partnerships, limited liability companies and other entities to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, debt refinancings and, to a lesser extent, for general operating and other purposes. The Fund may invest up to 20% of its total assets in U.S. dollar-denominated Senior Loans of Borrowers that are organized or located in countries outside the United States. In addition, the Fund may invest up to 20% of its total assets, in the aggregate, in other income producing securities such as investment and non-investment grade corporate debt securities, high quality, short-term debt securities and equity securities and warrants acquired in connection with the Fund s investments in Senior Loans.

Adviser and Subadviser. Nuveen Fund Advisors, Inc. (formerly known as Nuveen Asset Management), the Fund s investment adviser, is responsible for determining the Fund s overall investment strategy and its implementation, including the use of leverage and hedging. Symphony Asset Management LLC, the Fund s subadviser, is responsible for managing the Fund s Managed Assets.

Common Shares will not be sold at a price less than current net asset value per share plus the per share amount of the commission to be paid to Nuveen. The Fund and Nuveen will suspend the sale of Common Shares if the per share price of the shares is less than the minimum price. The Fund currently intends to distribute the shares offered pursuant to this Prospectus primarily through at-the-market transactions, although from time to time it may also distribute shares through an underwriting syndicate or a privately negotiated transaction. To the extent shares are distributed other than through at-the-market transactions, the Fund will file a supplement to this Prospectus describing such transactions. For more information on how Common Shares may be sold, see the Plan of Distribution section of this Prospectus.

The common shares are listed on the New York Stock Exchange. The trading or ticker symbol of the Common Shares of the Fund is NSL.

As of October 31, 2011, the Fund has sold in this offering an aggregate of 2,277,952 shares of common stock, representing net proceeds to the Fund of $16,562,831, after payment of commissions on $167,306 in the aggregate.

The date of this Prospectus is November 30, 2011.

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You should rely only on the information contained or incorporated by reference into this Prospectus. The Fund has not authorized anyone to provide you with different information. The Fund is not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Fund will update this Prospectus to reflect any material changes to the disclosures herein.

PROSPECTUS SUMMARY

This is only a summary. You should review the more detailed information contained elsewhere in this Prospectus and in the SAI.

The Fund

Nuveen Senior Income Fund (the Fund) is a non-diversified, closed-end management investment company. See The Fund. The Fund s common shares, $.01 par value (Common Shares), are traded on the New York Stock Exchange (NYSE) under the symbol NSL. See Description of Shares. As of September 30, 2011, the Fund had 32,085,556 Common Shares outstanding and net assets applicable to Common Shares of $209,836,747.

Investment Objective and Policies

The Fund s primary investment objective is to achieve a high level of current income, consistent with preservation of capital. The Fund cannot assure you that it will achieve its investment objective.

Under normal circumstances, the Fund will invest at least 80% of its total assets in adjustable rate, U.S. dollar-denominated secured and unsecured senior loans (Senior Loans), which unsecured Senior Loans will be, at the time of investment, investment grade quality. The Fund will invest at least 65% of its total assets in Senior Loans that are secured by specific collateral. Senior Loans are made to corporations, partnerships, limited liability companies and other entities (Borrowers) to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, debt refinancings and, to a lesser extent, for general operating and other purposes. The Fund may invest up to 20% of its total assets in U.S. dollar-denominated Senior Loans of Borrowers that are organized or located in countries outside the United States. In addition, the Fund may invest up to 20% of its total assets, in the aggregate, in:

- other income producing securities such as investment and non-investment grade corporate debt securities, high quality, short-term debt securities; and
- equity securities and warrants acquired in connection with the Fund s investments in Senior Loans.

The Fund may also engage in lending of its securities, repurchase agreements, reverse repurchase agreements and, for hedging and risk management purposes, certain derivative transactions. See Risk Factors.

The Fund s assets, including assets attributable to preferred shares, if any, that may be outstanding and the principal amount of any Borrowings (as defined on page 6), are called Managed Assets.

Investment grade quality securities are those securities that, at the time of investment, are (i) rated by at least one nationally recognized statistical rating organization (NRSRO) within the four highest grades (BBB- or Baa3 or better by Standard & Poor s Corporation, a division of The McGraw-Hill Companies (S&P), Moody s Investors Service, Inc. (Moody s) or Fitch Ratings (Fitch)), or (ii) unrated but judged be of comparable quality. The Fund may purchase Senior Loans and other debt securities that are rated below investment grade or that are unrated but judged to be of comparable quality. See The Fund s Investments Portfolio Composition and Other Information and Risk Factors Below Investment Grade Risk.

During temporary defensive periods or in order to keep the Fund s cash fully invested, the Fund may deviate from its investment objective and invest all or a portion of its assets in investment grade debt securities, including obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities. In addition, upon the Subadviser s recommendation that a change would be in the best interests of the Fund and upon concurrence by NFA (as defined below), and subject to approval of the Board of Trustees of the Fund, the Fund may deviate from its investment guidelines noted above. For a more complete discussion of the Fund s portfolio composition, see The Fund s Investments.

Investment Adviser

Nuveen Fund Advisors, Inc. (NFA or the Adviser), the Fund s investment adviser, is responsible for determining the Fund s overall strategy and its implementation. See Management of the Fund Investment Adviser, Sub-Adviser and Portfolio Manager.

Sub-Adviser

Symphony Asset Management LLC (Symphony or Subadviser) is the Fund s subadviser and oversees the day-to-day operations of the Fund.

Symphony, a registered investment adviser, is an indirect wholly owned subsidiary of Nuveen Investments. Founded in 1994, Symphony had approximately $8.1 billion in assets under management as of September 30, 2011. Symphony specializes in the management of market neutral equity and debt strategies and Senior Loan and other debt portfolios.

NFA and Symphony will sometimes individually be referred to as an Adviser and together be referred to as the Advisers.

Nuveen Securities, LLC (Nuveen), a registered broker-dealer affiliate of NFA that is involved in the offering of the Fund s Common Shares, has reached a settlement relating to certain findings by the Financial Industry Regulatory Authority (FINRA) in connection with the marketing of MuniPreferred shares. See Plan of Distribution-Distribution Through At-the-Market Transactions.

Legal Proceedings

Certain Nuveen leveraged closed-end funds (not including the Fund) were named as nominal defendants in a putative shareholder derivative action complaint filed in the Circuit Court of Cook County, Illinois, Chancery Division (the Complaint). The Complaint, filed on behalf of purported holders of the funds common shares, also names NFA as a defendant, together with current and former officers and a trustee of each of the funds (together with the nominal defendants, collectively, the Defendants). The Complaint alleges that the Defendants breached their fiduciary duties by favoring the interests of holders of each fund s ARPS over those of its common shareholders in connection with each fund s ARPS refinancing and/or redemption activities. See Legal Proceedings.

Use of Leverage

The Fund employs financial leverage through borrowing or issuing commercial paper or notes (collectively Borrowing). The Fund has entered into a $75,500,000 Revolving Credit and Security Agreement with an affiliate of Citibank. As of July 31, 2011, the Fund s outstanding balance on these Borrowings was $73,950,000. For the fiscal year ended July 31, 2011, the average daily balance outstanding and average annual interest rate on these borrowings were $73,950,000 and 1.32%, respectively.

The Fund does not currently, but may in the future, issue preferred shares. See Description of Shares Preferred Shares.

Leverage involves special risks. See Risk Factors Leverage Risks. There is no assurance that the Fund s leveraging strategy will be successful. Interest on Borrowings may be at a fixed or floating rate, but generally will be based on short-term rates. The Fund will seek to invest the proceeds of any future financial leverage in a manner consistent with the Fund s investment objective and policies. See Use of Leverage.

Offering Methods

The Fund may offer shares using one or more of the following methods: (i) at-the-market transactions conducted through Stifel, Nicolaus & Company, Incorporated (Stifel Nicolaus) which has entered into an Equity Distribution Agreement (Selected Dealer Agreement) with Nuveen, one of the Fund s underwriters; (ii) through an underwriting syndicate; and (iii) through privately negotiated transactions between the Fund and specific investors. See Plan of Distribution.

Distribution Through At-the-Market Transactions. The Fund from time to time may offer its Common Shares through Stifel Nicolaus, which has entered into the Selected Dealer Agreement with Nuveen pursuant to which Stifel Nicolaus will be acting as Nuveen s exclusive sub-placement agent with respect to at-the-market offerings of the Common Shares. Common Shares will only be sold on such days as shall be agreed to by the Fund, Nuveen and Stifel Nicolaus. Common Shares will be sold at market prices, which shall be determined with reference to trades on the NYSE, subject to a minimum price to be established each day by the Fund. The minimum price on any day will not be less than the current net asset value per share plus the per share amount of the commission to be paid to Nuveen. The Fund and Nuveen will suspend the sale of Common Shares if the per share price of the shares is less than the minimum price.

The Fund will compensate Nuveen with respect to sales of the Common Shares at a commission rate of up to 1% of the gross proceeds of the sale of Common Shares. Nuveen will compensate Stifel Nicolaus at a fixed rate of 0.8% of the gross proceeds of the sale of Common Shares sold by Stifel Nicolaus. Settlements of Common Share sales will occur on the third business day following the date of sale.

In connection with the sale of the Common Shares on behalf of the Fund, Nuveen may be deemed to be an underwriter within the meaning of the Securities Act of 1933 (the 1933 Act), and the compensation of Nuveen may be deemed to be underwriting commissions or discounts. Unless otherwise indicated in a further Prospectus supplement, each of Nuveen and Stifel Nicolaus will act on a reasonable efforts basis.

The offering of Common Shares will be made pursuant to the Selected Dealer Agreement among the Fund, Nuveen and Stifel Nicolaus, which will terminate upon the earlier of (i) the sale of all Common Shares subject thereto or (ii) termination of the Selected Dealer Agreement. Each of Nuveen and Stifel Nicolaus shall have the right to terminate the Selected Dealer Agreement in its discretion at any time. See Plan of Distribution Distribution Through At-the-Market Transactions.

The Fund currently intends to distribute the shares offered pursuant to this Prospectus primarily through at-the-market transactions, although from time to time it may also distribute shares through an underwriting syndicate or a privately negotiated transaction. To the extent shares are distributed other than through at-the-market transactions, the Fund will file a supplement to this Prospectus describing such transactions.

Distribution Through Underwriting Syndicates. The Fund from time to time may issue additional Common Shares through a syndicated secondary offering. In order to limit the impact on the market price of the Fund s Common Shares, Underwriters will market and price the offering on an expedited basis (*e.g.*, overnight or similarly abbreviated offering period). The Fund will launch a syndicated offering on a day, and upon terms, mutually agreed upon between the Fund, Nuveen and the underwriting syndicate.

The Fund will offer its shares at a price equal to a specified discount of up to 2% from the closing market price of the Fund s Common Shares on the day prior to the offering date. The applicable discount will be negotiated by the Fund and Nuveen in consultation with the underwriting syndicate on a transaction-by-transaction basis. The

Fund will compensate the underwriting syndicate out of the proceeds of the offering based upon a sales load of up to 4% of the gross proceeds of the sale of Common Shares. The minimum net proceeds per share to the Fund will not be less than the greater of (i) the Fund s latest net asset value per Common Share or (ii) 94% of the closing market price of the Fund s Common Shares on the day prior to the offering date. See Plan of Distribution Distribution Through Underwriting Syndicates.

Distribution Through Privately Negotiated Transactions. The Fund, through Nuveen, from time to time may sell directly to, and solicit offers from, institutional and other sophisticated investors, who may be deemed to be underwriters as defined in the 1933 Act for any resale of Common Shares. No sales commissions or other compensation will be paid to Nuveen or any other FINRA member in connection with such transactions.

The terms of such privately negotiated transactions will be subject to the discretion of the management of the Fund. In determining whether to sell Common Shares through a privately negotiated transaction, the Fund will consider relevant factors including, but not limited to, the attractiveness of obtaining additional funds through the sale of Common Shares, the purchase price to apply to any such sale of Common Shares and the investor seeking to purchase the Common Shares.

Common Shares issued by the Fund through privately negotiated transactions will be issued at a price equal to the greater of (i) the net asset value per Common Share of the Fund s Common Shares or (ii) at a discount ranging from 0% to 5% of the average daily closing market price of the Fund s Common Shares at the close of business on the two business days preceding the date upon which Common Shares are sold pursuant to the privately negotiated transaction. The applicable discount will be determined by the Fund on a transaction-by-transaction basis. See Plan of Distribution Distribution Through Privately Negotiated Transactions.

Special Risk Considerations

Investment in the Fund involves special risk considerations, which are summarized below. The Fund is designed as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program. See Risk Factors for a more complete discussion of the special risk considerations of an investment in the Fund.

Investment and Market Risk. An investment in the Fund s 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 securities owned by the Fund, which generally do not trade on a national securities exchange, NASDAQ or in the over-the-counter markets. 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. See Risk Factors Investment and Market Risk.

Market Discount from Net Asset Value. Shares of closed-end investment companies like the Fund have during some periods traded at prices higher than net asset value and have during other periods traded at prices lower than net asset value. The Fund cannot predict whether Common Shares will trade at, above or below net asset value. This characteristic is a risk separate and distinct from the risk that the Fund s net asset value could decrease as a result of investment activities. Investors bear a risk of loss to the extent that the price at which they sell their shares is lower in relation to the Fund s net asset value than at the time of purchase, assuming a stable net asset value. Proceeds from the sale of Common Shares in this offering will be reduced by shareholder transaction costs (if applicable, which vary depending on the offering method used). The net asset value per Common Share will be reduced by costs associated with any future issuances of Common Shares or preferred shares. The Common Shares are designed primarily for long-term investors, and you should not view the Fund as a vehicle for trading purposes. See Risk Factors Market Discount from Net Asset Value.

Net Asset Value Fluctuations. The Senior Loans in which the Fund will invest generally are not listed on any securities exchange. Certain Senior Loans are traded by institutional investors in an over-the- counter secondary market for Senior Loan obligations that has developed over the past several years. The secondary market for those Senior Loans generally is comparatively illiquid relative to markets for other income securities and no active trading market exists for many Senior Loans. Because of the lack of an active trading market, Senior Loans are generally more difficult to value than liquid securities for which an active trading market exists. In determining net asset value, the Fund will utilize the valuations of Senior Loans furnished by an independent third-party pricing service, which typically values Senior Loans at the mean of the highest bona fide bid and lowest bona fide ask prices when current quotations are readily available. Senior Loans for which current quotations are not readily available are valued at a fair value as determined by the pricing service using pricing matrices and other information and analyses, including credit considerations considered relevant by such pricing service, to determine valuations. If the pricing service does not provide a value for a Senior Loan, a value will be determined by the Adviser. To the extent that an active secondary trading market in Senior Loan interests develops to a reliable degree, the pricing service may rely to an increasing extent on such market prices and quotations in determining valuations of the Senior Loan interests in the Fund s portfolio. The Fund purchases Senior Loans primarily to seek to achieve its investment objective of high current income, consistent with preservation of capital, and does not anticipate that it will actively trade Senior Loans. To the extent a trading market continues to develop, certain participants in the market may have objectives other than current income and may pursue short-term trading strategies, which may result in erratic movements in the market prices for Senior Loans as a result of movements in short-term interest rates or otherwise. Although the Fund s policy of acquiring interests in floating rate Senior Loans is intended to minimize fluctuations in net asset value resulting from changes in market interest rates, the Fund s net asset value will fluctuate. See Net Asset Value.

Senior Loan Risks.

Issuer Credit Risk. Borrowers of Senior Loans may default on their obligations to pay principal or interest when due. This non-payment would result in a reduction of income to the Fund, a reduction in the value of a Senior Loan experiencing non-payment and, potentially, a decrease in the net asset value of the Fund. Although under normal circumstances at least 65% of the Fund s Managed Assets will be invested in Senior Loans that are secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the Borrower s obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In the event of bankruptcy of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a Senior Loan. The Fund is subject to the same inherent risks described above with respect to issuers of other debt instruments in which the Fund may invest, although it is not expected that those debt instruments will be secured by collateral.

Senior Loan Interest Rate Risk. Because the interest rates of Senior Loans reset frequently, if market interest rates fall, the loans interest rates will be reset to lower levels, potentially reducing the Fund s income. Because both Senior Loans and the Fund s preferred shares, if any, and Borrowings generally pay interest or dividends based on short-term market interest rates, the Fund s investments in Senior Loans may potentially offset the leverage risks borne by the Fund relating to the fluctuations on Common Share income due to variations in the preferred share dividend rate and/or the interest rate on Borrowings. See Use of Leverage. The Fund is subject to the same inherent risks described above with respect to other adjustable rate debt instruments in which the Fund may invest.

Participation Risks. The Fund also may purchase a participation interest in a Senior Loan and by doing so acquire some or all of the interest of a bank or other lending institution in a Senior Loan to a Borrower. A participation typically will result in the Fund having a contractual relationship only with the lender, not the Borrower. As a result, the Fund assumes the credit risk of the lender selling the participation in addition to the credit risk of the Borrower. By purchasing a participation, the Fund will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation and only upon receipt by the lender of the payments from the Borrower. See Risk Factors Senior Loan Risks Participation Risk and Risk Factors Below Investment Grade Risk.

Prepayment Risk. During periods of declining interest rates or for other purposes, Borrowers may exercise their option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities. This is known as call or prepayment risk.

Other Risks Associated with Senior Loans. Many Senior Loans in which the Fund may invest may not be rated by an NRSRO, generally will not be registered with the Securities and Exchange Commission and generally will not be listed on a securities exchange. In addition, the amount of public information available with respect to Senior Loans generally may be less extensive than that available for registered and exchange-listed securities. Economic and other events (whether real or perceived) can reduce the demand for certain Senior Loans or Senior Loans generally, which may reduce market prices and cause the Fund s net asset value per share to fall. The frequency and magnitude of such changes cannot be predicted. No active trading market currently exists for some Senior Loans in which the Fund may invest and, thus, those loans may be illiquid. As a result, such Senior Loans generally are more difficult to value than more liquid securities for which a trading market exists.

Below Investment Grade Risk. The Fund may invest up to 100% of its assets in Senior Loans and other securities that are below investment grade or that are unrated but judged to be of comparable quality. Securities of below investment grade quality are regarded as having predominately speculative characteristics with respect to capacity to pay interest and repay principal, and are commonly referred to as junk bonds. Issuers of lower rated securities may be highly leveraged and may not have available to them more traditional methods of financing. The prices of these lower grade securities are typically more sensitive to negative developments, such as a decline in the issuer s revenues or a general economic downturn, than are the prices of higher rated securities. The secondary market for lower rated securities, including some Senior Loans, may not be as liquid as the secondary market for more highly rated securities, a factor which may have an adverse effect on the Fund s ability to dispose of a particular security. See Risk Factors Below Investment Grade Risk.

Non-U.S. Issuer Risk. The Fund may invest up to 20% of its Managed Assets in U.S. dollar denominated Senior Loans of Borrowers that are organized or located in countries outside the United States. Although the Senior Loans will require payment of interest and principal in U.S. dollars, these Borrowers may have significant non-U.S. dollar revenues. Investment in foreign Borrowers involves special risks, including that foreign Borrowers may be subject to:

- less rigorous regulatory requirements and accounting and reporting requirements than U.S. Borrowers;
- differing legal systems and laws relating to creditors rights;
- the potential inability to enforce legal judgments;
- economic adversity that would result if the value of the Borrower s non-U.S. dollar-denominated revenues and assets were to fall (in U.S. dollar-denominated terms) because of fluctuations in currency values; and
- the potential for political, social and economic adversity in the foreign Borrower s country.

See Risk Factors Non-U.S. Issuer Risk.

Credit Risks Associated with Investments in Participations. The Fund may acquire from a Lender a portion of the Lender s rights under a loan agreement. This is commonly referred to as purchasing a Participation in a Senior Loan. The Fund does not currently intend to invest more than 20% of its total assets in Participations. Under a Participation, the Fund generally will have rights that are more limited than the rights of Lenders or of persons who acquire a Senior Loan by Assignment (as defined below). In a Participation, the Fund typically has a contractual relationship with the Lender selling the Participation, but not with the Borrower. If the Lender selling the Participation becomes insolvent, the Fund may be treated as a general creditor of such Lender, and may not have any exclusive or senior claim with respect to such Lender s interest in, or the collateral with respect to, the Senior Loan. As a result, the Fund assumes the credit risk of the Lender selling the Participation in addition to the credit risk of the Borrower. The Fund may pay a fee or forgo a portion of interest payments when acquiring Participations or purchase assignments or novations (Assignments). A Lender selling a Participation and other persons interpositioned between the Lender and the Fund with respect to a Participation will likely conduct their principal business activities in the banking, finance and financial services industries. Because the Fund may invest in Participations, the Fund may be more susceptible than a fund without such a policy to any single economic, political or regulatory occurrence affecting such industries. The Fund intends to take measures which it believes will reduce its exposure to such risks but no assurances can be given as to their effectiveness. *See* The Fund s Investments.

Interest Rate Risk. When interest rates decline, the value of a portfolio invested in fixed- rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a portfolio invested in fixed-rate obligations can be expected to decline. Although the Fund s net asset value will vary, the Adviser expects the Fund s policy of acquiring primarily interests in floating rate Senior Loans to minimize fluctuations in net asset value resulting from changes in market interest rates. However, because floating or variable rates on Senior Loans only reset periodically, changes in prevailing interest rates can be expected to cause some fluctuations in the Fund s net asset value. Similarly, a sudden and significant increase in market interest rates may cause a decline in the Fund s net asset value. See Risk Factors Investment and Market Risk and Risk Factors Interest Rate Risk.

Income Risk. The Fund invests primarily in Senior Loans whose interest rates reset frequently. If market interest rates fall, these interest rates will be reset at lower levels, reducing the Fund s income and in turn, dividends paid to holders of Common Shares.

Portfolio Liquidity. No active trading market currently exists for many of the Senior Loans in which the Fund will invest. Senior Loans are thus relatively illiquid. Liquidity relates to the ability of the Fund to sell an investment in a timely manner at a price approximately equal to its value on the Fund s books. The illiquidity of Senior Loans may impair the Fund s ability to realize the full value of its assets in the event of a voluntary or involuntary liquidation of such assets, and the Fund may suffer capital losses as a result. The market for relatively illiquid securities could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Although the Fund believes that investing in adjustable rate Senior Loans should limit fluctuations in the Fund s net asset value from changes in interest rates, extraordinary and sudden changes in market interest rates could disrupt the market for Senior Loans and result in fluctuations in the Fund s net asset value. See The Fund s Investments and Net Asset Value.

A substantial portion of the Fund s assets may be invested in relatively illiquid Senior Loan interests. However, many of the Senior Loans in which the Fund expects to invest are of a relatively large principal amount and are held by a relatively large number of financial institutions which should, in the Adviser s opinion, enhance the relative liquidity of such interests. The risks associated with illiquidity are particularly acute in situations where the Fund s operations require cash, such as when, based on a Board determination, the Fund makes open market repurchases or tender offers for its Common Shares, or if the Adviser considers it advantageous to increase the percentage of the Fund s portfolio invested in high quality, short-term securities. See The Fund s Investments.

Leverage Risk. The use of financial leverage created through borrowing or any future issuance of preferred shares creates an opportunity for increased Common Share net income and returns, but also creates special risks for Common Shareholders. There is no assurance that the Fund s leveraging strategy will be successful. The

Fund s use of financial leverage creates incremental Common Share net asset value risk because the full impact of price changes in the Fund s investment portfolio, including assets attributable to leverage, is borne by Common Shareholders. This can lead to a greater increase in net asset values in rising markets than if the Fund were not leveraged, but also can result in a greater decrease in net asset values in declining markets. The Fund s use of financial leverage similarly can magnify the impact of changing market conditions on Common Share market prices. See Risk Factors Leverage Risk.

Through the use of financial leverage, the Fund generally seeks to enhance potential Common Share earnings over time by employing leverage based on short to intermediate-term interest rates and investing at long-term interest rates which are typically, though not always, higher. Because the long-term debt securities in which the Fund invests generally pay fixed rates of interest while the Fund s costs of leverage generally fluctuate with short-term yields, the incremental earnings from leverage will vary over time. However, the Fund may use derivatives, such as interest rate swaps, to fix the effective rate paid on all or a portion of the Fund s leverage, in an effort to lower leverage costs over an extended period. Accordingly, the Fund cannot assure you that the use of leverage will result in a higher yield or return to Common Shareholders. The income benefit from leverage will be reduced to the extent that the difference narrows between the net earnings on the Fund s portfolio securities and its cost of leverage. The income benefit from leverage will increase to the extent that the difference widens between the net earnings on the Fund s portfolio securities and its cost of leverage. If short-term rates rise, the Fund s cost of leverage could exceed the fixed rate of return on longer-term bonds held by the Fund that were acquired during periods of lower interest rates, reducing income and returns to Common Shareholders. This could occur even if both short-term and long-term interest rates rise. Because of the costs of leverage, the Fund may incur losses even if the Fund has positive returns if they are not sufficient to cover the costs of leverage. The Fund s cost of leverage includes interest on borrowing, or dividends paid on preferred shares, if issued in the future, as well as any one-time costs (*e.g.*, issuance costs) and ongoing fees and expenses associated with such leverage.

The Fund has issued preferred shares in the past, but as of September 30, 2011 no preferred shares were outstanding. The Fund may again in the future issue certain types of preferred securities to increase the Fund s leverage.

The Fund may invest in the securities of other investment companies, which may themselves be leveraged and therefore present similar risks to those described above.

Regulatory Risk. To the extent that legislation or state or federal regulators that regulate certain financial institutions impose additional requirements or restrictions with respect to the ability of such institutions to make loans, particularly in connection with highly leveraged transactions, the availability of Senior Loans for investment may be adversely affected. Further, such legislation or regulation could depress the market value of Senior Loans.

Market Disruption Risk. Certain events have a disruptive effect on the securities markets, such as terrorist attacks (including the terrorist attacks in the U.S. on September 11, 2001), war and other geopolitical events. The Fund cannot predict the effects of similar events in the future on the U.S. economy. Lower rated securities and securities of Issuers with smaller market capitalizations tend to be more volatile than higher rated securities and securities of Issuers with larger market capitalizations so that these events and any actions resulting from them may have a greater impact on the prices and volatility of lower rated securities and securities of Issuers with smaller market capitalizations than on higher rated securities and securities of Issuers with larger market capitalizations.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions can decline. See Risk Factors Inflation Risk.

Deflation Risk. Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of Issuers and may make Issuer default more likely, which may result in a decline in the value of the Fund s portfolio. See Risk Factors Definition Risk.

Derivatives Risk, Including the Risk of Swaps. The Fund s use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the investments underlying the derivatives. Whether the Fund s use of derivatives is successful will depend on, among other things, if Symphony correctly forecasts market values, interest rates and other applicable factors. If Symphony incorrectly forecasts these and other factors, the investment performance of the Fund will be unfavorably affected. In addition, the derivatives market is largely unregulated. It is possible that developments in the derivatives market could adversely affect the Fund s ability to successfully use derivative instruments.

The Fund may enter into debt-related derivatives instruments including credit swap default contracts and interest rate swaps. Like most derivative instruments, the use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. In addition, the use of swaps requires an understanding by Symphony not only of the referenced asset, rate or index, but also of the swap itself. See Risk Factors Derivatives Risk, Including the Risk of Swaps, Risk Factors Counterparty Risk, Hedging Transactions and the Statement of Additional Information.

Counterparty Risk. The Fund may be subject to credit risk with respect to the counterparties to certain derivative agreements entered into by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. See Risk Factors Counterparty Risk.

Reliance on Investment Adviser. The Fund is dependent upon services and resources provided by its investment adviser, NFA, and therefore the investment adviser s parent, Nuveen Investments. Nuveen Investments has a substantial amount of indebtedness. Nuveen Investments, through its own business or the financial support of its affiliates, may not be able to generate sufficient cash flow from operations or ensure that future borrowings will be available in an amount sufficient to enable it to pay its indebtedness with scheduled maturities beginning in 2014 or to fund its other liquidity needs. Nuveen Investments failure to satisfy the terms of its indebtedness, including covenants therein, may generally have an adverse effect on the financial condition of Nuveen Investments.

Anti-Takeover Provisions. The Fund s Declaration of Trust (the Declaration) and the Fund s By-laws (the By-laws) include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could have the effect of depriving the Common Shareholders of opportunities to sell their Common Shares at a premium over the then current market price of the Common Shares. See Certain Provisions in the Declaration of Trust and Risk Factors Anti-Takeover Provisions.

Non-Diversification. Because the Fund is classified as non-diversified under the 1940 Act it can invest a greater portion of its assets in obligations of a single Issuer. As a result, the Fund will be more susceptible than a more widely diversified fund to any single corporate, economic, political or regulatory occurrence. The Fund does not intend to invest, however, more than 5% of the value of its assets in interests in Senior Loans of a single Borrower. See The Fund s Investments. In addition, the Fund must satisfy certain asset diversification rules in order to qualify as a regulated investment company for federal income tax purposes.

In addition, an investment in the Fund s Common Shares raises other risks, which are more fully disclosed in the Risk Factors section of

	this Prospectus, including: reinvestment risk, special risks relating to certain illiquid securities, market disruption risk, impact of offering methods risk, risks relating to certain affiliations, and risks that provisions in the Fund s Declaration of Trust could affect the opportunities of Common Shareholders to sell their Common Shares. See Risk Factors.
Distributions	The Fund pays monthly cash distributions to Common Shareholders at a level rate (stated in terms of a fixed cents per Common Share dividend rate) based on the projected performance of the Fund. The Fund s ability to maintain a level Common Share dividend rate will depend on a number of factors. As portfolio and market conditions change, the rate of dividends on the Common Shares and the Fund s dividend policy could change. Over time, the Fund will distribute all of its net investment income. In addition, the Fund intends to effectively distribute, at least annually, the net capital gain and taxable ordinary income, if any, to Common Shareholders so long as the net capital gain and taxable ordinary income are not necessary to pay accrued dividends on, or redeem or liquidate, any preferred shares then outstanding or pay any interest and required principal payments on borrowings. You may elect to reinvest automatically some or all of your distributions in additional Common Shares under the Fund s Dividend Reinvestment Plan.
	As explained more fully below in Tax Matters, at least annually, the Fund may elect to retain rather than distribute all or a portion of any net capital gain (which is the excess of net long-term capital gain over net short-term capital loss) otherwise allocable to Common Shareholders and pay federal income tax on the retained gain. As provided under federal tax law, Common Shareholders of record as of the end of the Fund s taxable year will include their attributable share of the retained gain in their income for the year as a long-term capital gain, and will be entitled to an income tax credit or refund for the tax deemed paid on their behalf by the Fund. The Fund will treat the retained capital gain amount as a substitute for equivalent cash distributions. See Distributions and Dividend Reinvestment Plan.
	The Fund reserves the right to change its distribution policy and the basis for establishing the rate of its monthly distributions at any time.
Custodian and Transfer Agent	State Street Bank and Trust Company serves as custodian and transfer agent of the Fund s assets. See Custodian and Transfer Agent.
Special Tax Considerations	Dividends with respect to the Common Shares generally will not constitute qualified dividend income for federal income tax purposes and thus generally will not be eligible for taxation at long-term capital gain tax rates (except in the case of capital gain dividends). See Tax Matters.

Voting Rights	The Fund has issued preferred shares in the past, but as of September 30, 2011 no preferred shares were outstanding. The Fund may again in the future issue certain types of preferred securities to increase the Fund s leverage. In that event, such preferred securities, voting as a separate class, would have the right to elect at least two trustees at all times and to elect a majority of the trustees in the event two full years dividends on the preferred shares are unpaid. In each case, the remaining trustees would be elected by holders of Common Shares and preferred shares, voting together as a single class. The holders of preferred shares would vote as a separate class or classes on certain other matters as required under the Declaration, the Investment Company Act of 1940, as amended (the 1940 Act) and Massachusetts law. See Description of Shares Preferred Shares Voting Rights and Certain Provisions in the Declaration of Trust.

SUMMARY OF FUND EXPENSES

The purpose of the table below is to help you understand all fees and expenses that you, as a Common Shareholder, would bear directly or indirectly. The table shows the expenses of the Fund as a percentage of the average net assets applicable to Common Shares, and not as a percentage of total assets or Managed Assets.

Shareholder Transaction Expenses (as a percentage of offering price)	
Maximum Sales Charge	4.00%

	As a Percentage of Net Assets Attributable to Common Shares[1]
Annual Expenses	
Management Fees	1.11%
Interest Expense and Other Borrowing Costs	0.49%
Other Expenses	0.18%
Total Annual Expenses	1.78%

(1) Stated as a percentage of average net assets attributable to Common Shares for the fiscal year ended July 31, 2011.

The purpose of the table above is to help you understand all fees and expenses that you, as a Common Shareholder, would bear directly or indirectly. See Management of the Fund Investment Adviser and Subadviser.

Examples

The following examples illustrate the expenses (including the applicable transaction fees, if any) that a shareholder would pay on a $1,000 investment that is held for the time periods provided in the table. Each example assumes that all dividends and other distributions are reinvested in the Fund and that the Fund s Total Annual Expenses, as provided above, remain the same. The examples also assume a 5% annual return.[1]

Example # 1 (At-the-Market Transaction)

The following example assumes a transaction fee of 1.00%, as a percentage of the offering price.

1 Year	3 Years	5 Years	10 Years
$28	$ 65	$ 105	$ 217

Example # 2 (Underwriting Syndicate Transaction)

The following example assumes a transaction fee of 4.00%, as a percentage of the offering price.

1 Year	3 Years	5 Years	10 Years
$57	$ 94	$ 133	$ 241

Example # 3 (Privately Negotiated Transaction)

The following example assumes there is no transaction fee.

1 Year	3 Years	5 Years	10 Years
$18	$ 56	$ 96	