

NUVEEN FLOATING RATE INCOME FUND

Form 497

March 26, 2004

PROSPECTUS  
[LOGO] NUVEEN  
Investments

41,800,000 Shares

Nuveen Floating Rate Income Fund

Common Shares  
\$15.00 per share

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Investment Objective. The Fund is a newly organized, diversified, closed-end management investment company. The Fund's investment objective is to achieve a high level of current income.

No Prior History. Because the Fund is newly organized, its common shares have no history of public trading. Shares of closed-end investment companies frequently trade at a discount from their net asset value, which creates a risk of loss for investors when they sell shares purchased in the initial public offering.

Portfolio Contents. Under normal market circumstances, the Fund will invest at least 80% of its Managed Assets (as defined on page 5 of the Prospectus) in adjustable rate secured senior loans and adjustable rate unsecured senior loans, which unsecured senior loans will be, at the time of investment, investment grade quality.

(continued on following page)

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Investing in common shares involves certain risks. See "Risks" beginning on page 31.

Neither the Securities and Exchange Commission 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.

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	Per Share	Total/(3)/
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Public Offering Price	\$15.000	\$627,000,000
Sales Load/(1)/	\$ 0.675	\$ 28,215,000
Estimated Offering Expenses/(2)/	\$ 0.030	\$ 1,254,000
Proceeds to the Fund	\$14.295	\$597,531,000

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- (1) Certain underwriters that may also participate in any future offering of preferred shares of the Fund may receive additional compensation in that offering based on their participation in this offering. See "Underwriting."  
(2) Total expenses of issuance and distribution (other than underwriting

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discounts and commissions) are estimated to be \$1,254,000. Nuveen Investments, LLC has agreed to pay (i) all organizational expenses and (ii) offering costs (other than sales load) that exceed \$0.03 per share.

(3) The Fund has granted the underwriters an option to purchase up to 6,200,000 additional common shares at the Public Offering Price less the Sales Load, solely to cover over-allotments, if any. If such option is exercised in full, the total Public Offering Price, Sales Load, Estimated Offering Expenses and Proceeds to the Fund will be \$720,000,000, \$32,400,000, \$1,440,000 and \$686,160,000, respectively. See "Underwriting."

The underwriters expect to deliver the common shares to purchasers on or about March 30, 2004.

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Citigroup	Nuveen Investments, LLC
A.G. Edwards & Sons, Inc.	Wachovia Securities
Advest, Inc.	Ferris, Baker Watts Incorporated
J.J.B. Hilliard, W.L. Lyons, Inc.	Janney Montgomery Scott LLC
McDonald Investments Inc.	Oppenheimer
Quick & Reilly, Inc.	RBC Capital Markets
Ryan Beck & Co.	Stifel, Nicolaus & Company Incorporated
SunTrust Robinson Humphrey	

March 25, 2004

The Fund will invest at least 65% of its Managed Assets in adjustable rate senior loans that are secured by specific collateral. Senior loans are made to U.S. or non-U.S. corporations, partnerships and other business entities that operate in various industries and geographical regions. Senior loans pay interest at rates that are redetermined periodically at short-term intervals on the basis of an adjustable base lending rate plus a premium. The Fund may invest a substantial portion of its Managed Assets in senior loans and other debt instruments that are, at the time of investment, rated below investment grade or 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. Because of the protective features of senior loans (being senior in a borrower's capital structure and, in certain instances, secured by specific collateral), the Fund's subadviser believes, based on its experience, that senior loans tend to have more favorable loss recovery rates compared to most other types of below investment grade obligations that are subordinated and unsecured.

Leverage. Following the completion of this offering, the Fund intends to seek to increase the Fund's common share net income by utilizing financial leverage by offering preferred shares of beneficial interest and/or by borrowing or issuing commercial paper or notes and investing the proceeds in the manner described above. The Fund currently anticipates that leverage will represent approximately 38% of the Fund's Managed Assets. There is no assurance that the Fund will utilize leverage or that the Fund's leverage strategy will be successful.

Adviser and Subadviser. Nuveen Institutional Advisory Corp., the Fund's investment adviser, will be responsible for determining the Fund's overall investment strategy and its implementation, including the use of leverage and hedging. Symphony Asset Management, LLC will be the Fund's subadviser

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responsible for managing the Fund's Managed Assets.

The Fund's common shares have been approved for listing on the New York Stock Exchange, subject to notice of issuance. The trading or "ticker" symbol is "JFR."

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, dated March 25, 2004, and as it may be supplemented, containing additional information about the Fund, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 54 of this Prospectus, by calling (800) 257-8787 or by writing to the Fund, or you may obtain a copy (and other information regarding the Fund) from the Securities and Exchange Commission's 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 government agency.

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You should rely only on the information contained or incorporated by reference in 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.

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Until April 19, 2004 (25 days after the date of this Prospectus), all dealers that buy, sell or trade the common shares, whether or not participating in this offering, may be required to deliver a Prospectus. This is in addition to the dealers' obligation to deliver a Prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

This is only a summary. You should review the more detailed information contained elsewhere in this Prospectus and in the Statement of Additional Information to understand the offering fully.

The Fund..... Nuveen Floating Rate Income Fund (the "Fund") is a newly organized, diversified, closed-end management investment company.

The Offering..... The Fund is offering 41,800,000 common shares of beneficial interest at \$15.00 per share through a group of underwriters (the "Underwriters") led by Citigroup Global Markets Inc., Nuveen Investments, LLC ("Nuveen"), A.G. Edwards & Sons, Inc., Wachovia Capital Markets, LLC, Advest, Inc., Ferris, Baker Watts, Incorporated, J.J.B. Hilliard, W.L. Lyons, Inc., Janney Montgomery Scott LLC, McDonald Investments Inc., a KeyCorp Company, Oppenheimer & Co. Inc., Quick & Reilly, Inc. A FleetBoston Financial Company, RBC Capital Markets Corporation, Ryan Beck & Co., Inc., Stifel, Nicolaus & Company, Incorporated and SunTrust Capital Markets, Inc. The common shares of beneficial interest are called "Common Shares" in this Prospectus. You must purchase at least 100 Common Shares in this offering. The Fund has given the Underwriters an option to purchase up to 6,200,000 additional Common Shares to cover orders in excess of 41,800,000 Common Shares. See "Underwriting." Nuveen has agreed to pay (i) all organizational expenses and (ii) offering costs (other than sales load) that exceed \$0.03 per Common Share.

Investment Objective and Policies..... The Fund's investment objective is to achieve a high level of current income. The Fund's investment objective and certain investment policies are considered fundamental and may not be changed without shareholder approval. The Fund cannot assure you that it will attain its investment objective. See "The Fund's Investments" and "Risks."

Under normal market circumstances, the Fund will invest at least 80% of its Managed Assets in adjustable rate secured senior loans and adjustable rate unsecured senior loans (collectively referred to as "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 Managed Assets in Senior Loans that are secured by specific collateral. Senior Loans pay interest at rates that are redetermined periodically at short-term intervals by reference to a base lending rate, primarily the London-Interbank Offered Rate ("LIBOR"), plus a premium. The Fund may invest a substantial portion of its Managed Assets in Senior Loans and other debt instruments that are, at the time of investment, rated below investment grade or unrated but judged to be of comparable quality. Securities (which term for purposes of this Prospectus includes Senior Loans) 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." Senior Loans are made to U.S. or non-U.S. corporations, partnerships and other business entities ("Borrowers") that operate in various industries and geographical regions. It is anticipated that the proceeds of the Senior Loans in

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which the Fund will invest will be used by Borrowers to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, refinancings, internal growth and for other corporate purposes.

The Fund may invest up to 20% of its Managed Assets in (i) other debt securities such as investment and non-investment grade debt securities, convertible securities and structured notes (other than structured notes that are designed to provide returns and risks that emulate those of Senior Loans, which may be treated as an investment in Senior Loans for purposes of the 80% requirement set forth above), (ii) mortgage-related and other asset-backed securities (including collateralized loan obligations and collateralized debt obligations), and (iii) debt securities and other instruments issued by government, government-related or supranational issuers (commonly referred to as sovereign debt securities). No more than 5% of the Fund's Managed Assets may be invested in each of convertible securities, mortgage-related and other asset-backed securities, and sovereign debt securities. The debt securities in which the Fund may invest may have short-term, intermediate-term or long-term maturities. The Fund also may receive warrants and equity securities issued by a Borrower or its affiliates in connection with the Fund's other investments in such entities.

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 to 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. No more than 10% of the Fund's Managed Assets may be invested in Senior Loans and other debt securities that are, at the time of investment, rated CCC+ or Caa or below by S&P, Moody's or Fitch or that are unrated but judged to be of comparable quality. See "The Fund's Investments--Portfolio Composition" and "Risks--Below Investment Grade Risk."

The Fund's assets, including assets attributable to any Fund Preferred shares (as defined below on page 7) that may be outstanding and the principal amount of any Borrowings (also as defined below on page 7), are called "Managed Assets."

Nuveen Institutional Advisory Corp. ("NIAC"), the Fund's adviser, will be responsible for determining the Fund's overall investment strategy and its implementation, including the use of leverage and hedging. Symphony Asset Management, LLC ("Symphony") will be the Fund's subadviser responsible for managing the Fund's Managed Assets.

Under normal circumstances:

- . The Fund expects to maintain an average duration of one year or less for its portfolio investments in Senior Loans and other

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debt instruments. See "The Fund's Investments--Investment Objective and Policies" for a description of duration.

- . The Fund will not invest in inverse floating rate securities.
- . The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. issuers (which term for purposes of this Prospectus includes Borrowers) that are U.S. dollar or non-U.S. dollar denominated. Initially, the Fund does not intend to invest in non-U.S. dollar denominated securities. The Fund's Managed Assets to be invested in Senior Loans and other debt instruments of non-U.S. issuers may include debt securities of issuers located, or conducting their business in, emerging markets countries. Initially, the Fund does not intend to invest in securities of emerging markets

issuers.

- . The Fund may not invest more than 20% of its Managed Assets in securities from an industry which (for the purposes of this Prospectus) generally refers to the classification of companies in the same or similar lines of business such as the automotive, textiles and apparel, hotels, media production and consumer retailing industries.
- . The Fund may invest more than 20% of its Managed Assets in sectors which (for the purposes of this Prospectus) generally refers to broader classifications of industries, such as the consumer discretionary sector which includes the automotive, textiles and apparel, hotels, media production and consumer retailing industries, provided the Fund's investment in a particular industry within the sector does not exceed the industry limitation.
- . The Fund may invest up to 50% of its Managed Assets in securities and other instruments that, at the time of investment, are illiquid (i.e., securities that are not readily marketable).

In pursuing its objective of high current income, the Fund will invest in Senior Loans and other debt instruments that may involve significant credit risk. As part of its efforts to manage this risk and the potential impact of such risk on the overall value and returns of the Fund's portfolio, Symphony will implement its credit management strategy that includes (i) a focus on Senior Loans that are secured by specific assets, (ii) rigorous and on-going bottom-up fundamental analysis of issuers, and (iii) overall portfolio diversification. Symphony will perform its own credit and research analysis of issuers, taking into consideration, among other things, the entity's financial resources and operating history, its sensitivity to economic conditions and trends, the ability of its management, its debt maturity schedules and borrowing requirements, its anticipated cash flow, interest and asset coverage, and its earnings prospects. Even with these efforts, because of the greater degree of credit risk within the portfolio, the Fund's net asset value could decline over time. In an effort to help preserve the Fund's overall capital, Symphony will seek to enhance

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portfolio value by investing in securities it believes to be undervalued, which, if successful, can mitigate the potential loss of value due to credit events over time.

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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 Symphony's recommendation that a change would be in the best interests of the Fund and upon concurrence by NIAC, and subject to approval of the Board of Trustees of the Fund, Symphony may deviate from its investment guidelines noted above. For a more complete discussion of the Fund's portfolio composition, see "The Fund's Investments."

Proposed Use of

Leverage.....

Following the completion of this offering, the Fund intends to seek to increase Common Share net income by utilizing financial leverage by offering preferred shares of beneficial interest ("FundPreferred(TM) shares") and/or by borrowing or issuing commercial paper or notes (collectively, "Borrowings") and investing the proceeds in the manner described above. The Fund currently anticipates that FundPreferred shares and/or Borrowings will represent approximately 38% of the Fund's Managed Assets. There is no assurance that the Fund will issue FundPreferred shares or incur Borrowings.

There is no guarantee that the Fund's leverage strategy will be successful. See "Risks--Leverage Risk." FundPreferred shares will pay dividends based on short-term rates, which will be reset frequently. Interest on Borrowings may be at a fixed or floating rate, but generally will be based on short-term rates. The Fund intends to seek to enhance Common Share net income through the use of leverage by issuing FundPreferred shares or Borrowings at generally lower short-term rates applicable to financings of high credit quality and investing the proceeds of such leverage at generally higher short-term rates applicable to financings of low credit quality, like Senior Loans. The lower credit quality of the Fund's portfolio investments increases the likelihood of loss from default or decline in financial capacity by Borrowers. See "Risks--Senior Loan Risks--Borrower Credit Risk" and "Risks--Below Investment Grade Risk." So long as the rate of return, net of applicable Fund expenses, on the Fund's portfolio investments exceeds the FundPreferred share dividend rate or the interest rate on any Borrowings, the investment of the proceeds of FundPreferred shares or Borrowings will generate more income than will be needed to make dividend or interest payments on FundPreferred shares or Borrowings. If so, the excess will be available to pay higher dividends to Common Shareholders.

Because both Senior Loans and the Fund's FundPreferred shares 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

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fluctuations on Common Share income due to variations in the Fund Preferred share dividend rate and/or the interest rate on Borrowings. See "Use of Leverage."

Investment Adviser and  
Subadviser.....

NIAC will be the Fund's investment adviser, responsible for determining the Fund's overall investment strategy and its implementation, including the use of leverage and hedging.

NIAC, a registered investment adviser, is a wholly owned subsidiary of Nuveen Investments, Inc. Founded in 1898, Nuveen Investments, Inc. and its affiliates had approximately \$95 billion of assets under management as of December 31, 2003. According to Thomson Wealth Management, Nuveen is the leading sponsor of closed-end exchange-traded funds as measured by the number of funds (106) and the amount of fund assets under management (approximately \$47.1 billion) as of December 31, 2003.

Symphony, a registered investment adviser, is an indirect wholly owned subsidiary of Nuveen Investments, Inc. Founded in 1994, Symphony had approximately \$2.9 billion in assets under management as of December 31, 2003. Symphony specializes in the management of market neutral equity and debt strategies and Senior Loan and other debt portfolios.

NIAC and Symphony will sometimes individually be referred to as an "Adviser" and collectively be referred to as the "Advisers."

NIAC will receive an annual fee, payable monthly, in a maximum amount equal to .85% of the Fund's average daily Managed Assets (as previously defined, Managed Assets include assets attributable to any Fund Preferred shares that may be outstanding and the principal amount of any Borrowings), with lower fee levels for assets that exceed \$500 million. NIAC will pay a portion of that fee to Symphony. The Advisers have contractually agreed to reimburse the Fund for fees and expenses in the amount of .32% of average daily Managed Assets of the Fund for the first five full years of the Fund's operations (through March 31, 2009), and in a declining amount for an additional three years (through March 31, 2012). For more information on fees and expenses, including fees attributable to Common Shares, see "Management of the Fund."

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Distributions..... Commencing with the Fund's first dividend, the Fund intends to make regular monthly cash distributions to Common Shareholders based on the past and projected performance of the Fund. The Fund's Common Share dividend rate will depend on a number of factors, including the net earnings on the Fund's portfolio investments, the rate at which such net earnings change as a result of changes in short-term market interest rates, the rate at which dividends are payable on FundPreferred shares or interest is payable on Borrowings, and the rate at which such FundPreferred share dividend or Borrowing interest rates change. 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 and net short-term capital

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gains (after it pays accrued dividends on, or redeems or liquidates, any outstanding FundPreferred shares, if any, and makes interest and required principal payments on Borrowings, if any). In addition, at least annually, the Fund intends to distribute net long-term capital gains, if any, to you so long as the net long-term capital gains are not necessary to pay accrued dividends on, or redeem or liquidate, any FundPreferred shares or pay interest on, or repay, any Borrowings.

The Fund expects to declare its initial Common Share distribution approximately 45 days, and to pay that distribution approximately 60 to 90 days, from the completion of this offering, depending on market conditions. In most circumstances, Common Shareholders may elect to automatically reinvest some or all of their distributions in additional Common Shares under the Fund's Dividend Reinvestment Plan. See "Distributions" and "Dividend Reinvestment Plan."

Listing..... The Common Shares have been approved for listing on the New York Stock Exchange, subject to notice of issuance. See "Description of Shares--Common Shares." The trading or "ticker" symbol of the Common Shares is "JFR." Because of this exchange listing, the Fund may sometimes be referred to in public communications as a "closed-end exchange-traded fund" or "exchange-traded fund."

Custodian and Transfer Agent..... State Street Bank and Trust Company will serve as custodian and transfer agent for the Fund. See "Custodian and Transfer Agent."

Market Discount from Net Asset Value and Expected Reductions in Net Asset Value..... Shares of closed-end investment companies frequently

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trade at prices lower than net asset value, which creates a risk of loss for investors when they sell shares purchased in the initial public offering. 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. 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. Net asset value of the Fund and the net asset value per Common Share will be reduced immediately following this offering by the sales load and the amount of organization and offering expenses paid by the Fund. See "Use of Proceeds," "Use of Leverage," "Risks," "Description of Shares," "Repurchase of Fund Shares; Conversion to Open-End Fund" and the Statement of Additional Information under "Repurchase of Fund Shares; Conversion to Open-End Fund." The net asset value per Common Share also will be reduced by any costs associated with the issuance of Fund Preferred shares or any Borrowings. The Common Shares are designed primarily for long-term investors, and you should not view the Fund as a vehicle for trading purposes.

### Special

Tax Considerations.... Dividends with respect to the Common Shares generally will not constitute "qualified dividend income" for federal income tax

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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).

### Special Risk

Considerations..... No Prior History. The Fund is a newly organized, diversified, closed-end management investment company with no history of operations.

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, most of which are not traded on a national securities exchange, NASDAQ (as defined below) or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably.

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. The Fund likely will

use leverage, which magnifies the securities market risks described above. See "Use of Leverage" and "Risks--Investment and Market Risk."

Senior Loan Risks.

Borrower Credit Risk. Borrowers under 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 FundPreferred shares 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 FundPreferred 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.

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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 "Risks--Senior Loan Risk" and "Risks--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 purchase Senior Loans and other debt instruments that are rated 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 "Risks--Below Investment Grade Risk."

**Leverage Risk.** The Fund's use of leverage through the issuance of Fund Preferred shares or Borrowings creates an opportunity for increased Common Share net income but also creates special risks for Common Shareholders, including the major risks listed

below. In

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addition, there is no assurance that the Fund's leveraging strategy, if utilized, will be successful. The Fund will pay (and Common Shareholders will bear) any costs and expenses relating to the issuance and ongoing maintenance of any FundPreferred shares (for example, distribution related expenses such as a participation fee paid at what the Fund expects will be an annual rate of 0.25% of FundPreferred share liquidation preference to broker-dealers successfully participating in FundPreferred share auctions) and Borrowings.

Leverage creates two major types of risks for Common Shareholders:

- . the likelihood of greater volatility of net asset value and market price of Common Shares because changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds of the issuance of FundPreferred shares or Borrowings, are borne entirely by the Common Shareholders; and
- . the possibility either that (i) Common Share income will fall if the dividend rate on FundPreferred shares or the interest rate on any Borrowings rises and there is no corresponding increase, or a lagging increase, in the interest rates on investments in the Fund's portfolio, or (ii) Common Share income will fluctuate because the dividend rate on FundPreferred shares or the interest rate on any Borrowings varies. Because both Senior Loans and the Fund's FundPreferred shares 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 FundPreferred share dividend rate and/or the interest rate on Borrowings.

If the Fund seeks an investment grade rating from a NRSRO for any FundPreferred shares, commercial paper or notes issued by the Fund (which the Fund expects to do), asset coverage or portfolio composition provisions in addition to and more stringent than those required by the 1940 Act may be imposed in connection with the issuance of such a rating. Any lender from which the Fund borrows may require additional asset coverage and portfolio composition provisions as well as restrictions on the Fund's investment practices.

See "Risks--Leverage Risk."

Non-U.S. Issuer Risk. The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. issuers that are U.S. dollar or non-U.S. dollar denominated. Initially, the Fund does not intend to invest in non-U.S. dollar denominated securities. Investments in securities of non-U.S. issuers involve special risks not presented by investments in securities of U.S. issuers, including the following: less publicly available information about non-U.S. issuers or markets due to less rigorous disclosure or accounting standards or regulatory practices; many non-U.S. markets are smaller, less liquid and more volatile;

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potential adverse effects of fluctuations in currency exchange rates or controls on the value of the Fund's investments; the economies of non-U.S. countries may grow at slower rates than expected or may experience a downturn or recession; the impact of economic, political, social or diplomatic events; possible seizure of a company's assets; restrictions imposed by non-U.S. countries limiting the ability of non-U.S. issuers to make payments of principal and/or interest due to blockages of foreign currency exchanges or otherwise; and withholding and other non-U.S. taxes may decrease the Fund's return. These risks are more pronounced to the extent that the Fund invests a significant portion of its assets in companies located in one region and to the extent that the Fund invests in securities of issuers in emerging markets countries. In addition, economic, political and social developments may significantly disrupt the financial markets or interfere with the Fund's ability to enforce its rights against non-U.S. issuers. See "Risks--Non-U.S. Securities Risk."

Currency Risk. The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. issuers that are non-U.S. dollar denominated. However, initially the Fund does not intend to invest in such securities. Investments by the Fund in non-U.S.-dollar denominated securities will be subject to currency risk. Currency risk is the risk that fluctuations in the exchange rates between the U.S. dollar and non-U.S. currencies may negatively affect an investment. The value of securities denominated in non-U.S. currencies may fluctuate based on changes in the value of those currencies relative to the U.S. dollar, and a decline in applicable foreign exchange rates could reduce the value of such securities held by the Fund.

Illiquid Securities Risk. The Fund may invest up to 50% of its Managed Assets in securities that, at the time of investment, are illiquid. Illiquid securities are not readily marketable and may

include some restricted securities. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

Interest Rate Risk. Interest rate risk is the risk that fixed-income securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of such securities generally will fall. The Fund's investment in such securities means that the net asset value and market price of Common Shares will tend to decline if market interest rates rise. Market interest rates in the U.S. and in certain other countries in which the Fund may invest currently are near historically low levels. Because the Fund will invest at least 80% of its Managed Assets in Senior Loans and will maintain an average portfolio duration of one year or less, the Fund is intended to have a relatively low level of interest rate risk. However, because interest rates on Senior Loans and other adjustable rate debt instruments typically only reset periodically (e.g., monthly or quarterly), changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuation in the market value of these securities,

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including declines in market value as interest rates rise. See "Risks--Investment and Market Risk" and "Risks--Interest Rate Risk."

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 tend to be more volatile than higher rated securities so that these events and any actions resulting from them may have a greater impact on the prices and volatility of lower rated securities than on higher rated securities.

Inflation Risk. Inflation risk is the risk that the



value of assets or income from investment 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. In addition, during any periods of rising inflation, FundPreferred share dividend rates would likely increase, which, without a corresponding increase in the interest rates on investments in the Fund's portfolio, would reduce returns to Common Shareholders. Inflation risk is mitigated to a certain degree by the Fund's investments in Senior Loans and other adjustable rate debt instruments, because increases in inflation have historically been accompanied by increases in the adjustable rates of interest of such securities.

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.

Anti-Takeover Provisions. The Fund's Declaration of Trust (the "Declaration") includes 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 "Risks--Anti-Takeover Provisions."

SUMMARY OF FUND EXPENSES

The Annual Expenses table below assumes the issuance of FundPreferred shares in an amount equal to 38% of the Fund's Managed Assets (after their issuance), and shows Fund expenses as a percentage of net assets attributable to Common Shares.

Shareholder Transaction Expenses		
Sales Load Paid by You (as a percentage of offering price).....	4.50%	
Offering Expenses Borne by the Fund (as a percentage of offering price)/(1) (2)/.....	.20%	
Dividend Reinvestment Plan Fees.....	None/(3)/	
		Percentage of Net Assets Attributable to Common Shares/(5)/ -----
Annual Expenses		

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Management Fees/(4)/.....	1.37%
Other Expenses/(4)/.....	.32%
Interest Payments on Borrowings/(4)/.....	- %
	----
Total Annual Expenses/(4)/.....	1.69%
Fee and Expense Reimbursement (Years 1-5).....	(.52)%/(6)/
	----
Total Net Annual Expenses (Years 1-5)/(4)/.....	1.17%/(6)/
	=====

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- (1) Nuveen has agreed to pay (i) all organizational expenses and (ii) offering costs (other than sales load) that exceed \$0.03 per Common Share.
- (2) If the Fund utilizes leverage through the issuance of FundPreferred shares, costs associated therewith will effectively be borne by the Common Shareholders and result in a reduction of the net asset value of the Common Shares. Assuming the issuance of FundPreferred shares in the amount equal to 38% of the Fund's Managed Assets (after issuance), the offering costs thereof are estimated to be approximately \$0.19 per Common Share (1.30% of the estimated proceeds from the Fund's Common Share offering, after deducting offering costs).
- (3) You will be charged a \$2.50 service charge and pay brokerage charges if you direct State Street Bank and Trust Company, as agent for the Common Shareholders (the "Plan Agent") to sell your Common Shares held in a dividend reinvestment account.
- (4) In the event the Fund, as an alternative to issuing FundPreferred shares in an amount equal to 38% of the Fund's Managed Assets, utilizes leverage through Borrowings in an amount equal to approximately 33 1/3% of the Fund's Managed Assets (including the aggregate amount obtained from leverage) and FundPreferred shares in an amount equal to approximately 4 2/3% of the Fund's Managed Assets (including the aggregate amount obtained from leverage), it is estimated that, as a percentage of net assets attributable to Common Shares, the Management Fee would be 1.37%, Other Expenses would be .32%, Interest Payments on Borrowings (assuming an interest rate of 2.00%, which interest rate is subject to change based on prevailing market conditions) would be 1.08%, Total Annual Expenses would be 2.77% and Total Net Annual Expenses would be 2.25%. Based on the total net annual expenses and in accordance with the example below, the expenses for years 1, 3, 5 and 10 would be \$81, \$126, \$173 and \$323, respectively.

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- (5) Stated as percentages of net assets attributable to Common Shares. Assuming no issuance of FundPreferred shares or Borrowings, the Fund's expenses would be estimated to be as follows:

	Percentage of Net Assets Attributable to Common Shares -----
Annual Expenses	
Management Fees.....	.85%

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Other Expenses.....	.20%
Interest Payments on Borrowings.....	None
	-----
Total Annual Expenses.....	1.05%
Fees and Expense Reimbursement (Years 1-5)	(.32)%/(6)/
	-----
Total Net Annual Expenses (Years 1-5).....	.73%/(6)/
	=====

(6)The Advisers have contractually agreed to reimburse the Fund for fees and expenses in the amount of .32% of average daily Managed Assets for the first 5 full years of the Fund's operations, .24% of average daily Managed Assets in year 6, .16% in year 7 and .08% in year 8. Assuming the issuance of FundPreferred shares or Borrowings in an aggregate amount equal to 38% of the Fund's Managed Assets (including the aggregate amount obtained from leverage) and calculated as a percentage of net assets attributable to Common Shares, those amounts would be .52% for the first 5 full years, .39% in year 6, .26% in year 7 and .13% in year 8. Without the reimbursement, "Total Annual Expenses" would be estimated to be 1.69% of average daily net assets attributable to Common Shares (or, assuming no issuance of FundPreferred shares or Borrowings, 1.05% of average daily net assets).

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. The expenses shown in the table are based on estimated amounts for the Fund's first year of operations and assume that the Fund issues approximately 33,300,000 Common Shares. See "Management of the Fund" and "Dividend Reinvestment Plan."

The following example illustrates the expenses (including (i) the sales load of \$45, (ii) estimated offering expenses of this offering of \$2, and (iii) the estimated FundPreferred share offering costs assuming FundPreferred shares are issued representing 38% of the Fund's Managed Assets (after issuance) in an aggregate amount of \$13) that you would pay on a \$1,000 investment in Common Shares, assuming (1) total annual expenses of 1.17% of net assets attributable to Common Shares in years 1 through 5, increasing to 1.69% in years 9 and 10 and (2) a 5% annual return:/(1)/

1 Year	3 Years	5 Years	10 Years/(2)/
-----	-----	-----	-----
\$71	\$95	\$121	\$216

The example should not be considered a representation of future expenses. Actual expenses may be higher or lower.

(1)The example assumes that the estimated Other Expenses set forth in the Annual Expenses table are accurate, that fees and expenses increase as described in note 2 below and that all dividends and distributions are reinvested at Common Share net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund's actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

(2)Assumes reimbursement of fees and expenses of .24% of average daily Managed Assets in year 6, .16% in year 7 and .08% in year 8. The Advisers have not agreed to reimburse the Fund for any portion of its fees and expenses beyond March 31, 2012. See footnote 6 above and "Management of the Fund--Investment Management Agreement."

#### THE FUND

The Fund is a newly organized, diversified, closed-end management investment company registered under the 1940 Act. The Fund was organized as a Massachusetts business trust on January 15, 2004, pursuant to a Declaration governed by the laws of The Commonwealth of Massachusetts. As a newly organized entity, the Fund has no operating history. The Fund's principal office is located at 333 West Wacker Drive, Chicago, Illinois 60606, and its telephone number is (800) 257-8787.

#### USE OF PROCEEDS

The net proceeds of the offering of Common Shares will be approximately \$597,531,000 (\$686,160,000 if the Underwriters exercise the over-allotment option in full) after payment of the estimated organization and offering costs. Nuveen has agreed to pay (i) all organizational expenses and (ii) offering costs (other than sales load) that exceed \$0.03 per Common Share. The Fund will invest the net proceeds of the offering in accordance with the Fund's investment objective and policies as stated below. It is presently anticipated that the Fund will be able to invest substantially all of the net proceeds in Senior Loans and other securities that meet the Fund's investment objective and policies within approximately two to three months after the completion of the offering. Pending such investment, it is anticipated that the proceeds will be invested in short-term or long-term securities issued by the U.S. government or its agencies or instrumentalities or in high quality, short-term money market instruments.

#### THE FUND'S INVESTMENTS

##### Investment Objective and Policies

The Fund's investment objective is to achieve a high level of current income. There can be no assurance that the Fund's investment objective will be achieved.

In pursuing its objective of high current income, the Fund will invest in Senior Loans and other debt instruments that may involve significant credit risk. As part of its efforts to manage this risk and the potential impact of such risk on the overall value and returns of the Fund's portfolio, Symphony will implement its credit management strategy that includes (i) a focus on Senior Loans that are secured by specific assets, (ii) rigorous and on-going bottom-up fundamental analysis of issuers, and (iii) overall portfolio diversification. Symphony will perform its own credit and research analysis of issuers, taking into consideration, among other things, the entity's financial resources and operating history, its sensitivity to economic conditions and trends, the ability of its management, its debt maturity schedules and borrowing requirements, its anticipated cash flow, interest and asset coverage, and its earnings prospects. Even with these efforts, because of the greater degree of credit risk within the portfolio, the Fund's net asset value could decline over time. In an effort to help preserve the Fund's overall capital, Symphony will seek to enhance portfolio value by investing in securities it believes to be undervalued, which, if successful, can mitigate the potential loss of value due to credit events over time.

NIAC will be responsible for determining the Fund's overall investment strategy and its implementation, including the use of leverage and hedging. Symphony will be the Fund's subadviser responsible for managing the Fund's

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Managed Assets. See "Management of the Fund."

Under normal market circumstances, the Fund will invest at least 80% of its Managed Assets in secured Senior Loans and unsecured 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 Managed Assets in Senior Loans that are secured by specific collateral. Investment in adjustable rate instruments such as Senior

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Loans is expected to minimize changes in the underlying principal value of such investments, and therefore, the Fund's net asset value, resulting from changes in market interest rates. The Fund may invest up to 20% of its Managed Assets in (i) other debt securities such as investment and non-investment grade debt securities, convertible securities and structured notes, (other than structured notes that are designed to provide returns and risks that emulate those of Senior Loans, which may be treated as an investment in Senior Loans for purposes of the 80% requirement set forth above) (ii) mortgage-related and other asset-backed securities (including collateralized loan obligations and collateralized debt obligations), and (iii) debt securities and other instruments issued by government, government-related or supranational issuers. No more than 5% of the Fund's Managed Assets may be invested in each of convertible securities, mortgage-related and other asset-backed securities, and sovereign debt securities. The debt securities in which the Fund may invest may have short-term, intermediate-term or long-term maturities. The Fund also may receive warrants and equity securities issued by a Borrower or its affiliates in connection with the Fund's other investments in such entities. The Fund may invest a substantial portion of its Managed Assets in Senior Loans and other debt instruments that are, at the time of investment, rated below investment grade or unrated but judged to be of comparable quality.

Investment grade quality securities are those securities that, at the time of investment, are (i) rated by at least one NRSRO within the four highest grades (BBB- or Baa3 or better by S&P, Moody's or Fitch), or (ii) unrated but judged to be of comparable quality. No more than 10% of the Fund's Managed Assets may be invested in Senior Loans and other debt securities rated CCC+ or Caa or below by S&P, Moody's or Fitch 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." See Appendix A in the Statement of Additional Information for a description of security ratings.

The Fund's policy under normal circumstances of investing at least 80% of its Managed Assets in secured Senior Loans and unsecured Senior Loans, which unsecured Senior Loans will be, at the time of investment, investment grade quality, is not considered to be fundamental by the Fund and can be changed without a vote of the Common Shareholders. However, this policy may only be changed by the Fund's Board following the provision of 60 days prior written notice to Common Shareholders.

Under normal market circumstances, Symphony expects to maintain an average duration of one year or less for the Fund's portfolio investments in Senior Loans and other debt instruments. In comparison to maturity (which is the date on which a debt instrument ceases and the issuer is obligated to repay the principal amount), duration is a measure of the price volatility of a debt instrument as a result of changes in market rates of interest, based on the weighted average timing of the instrument's expected principal and interest payments. Duration differs from maturity in that it considers a security's

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yield, coupon payments, principal payments and call features in addition to the amount of time until the security finally matures. As the value of a security changes over time, so will its duration. Prices of securities with shorter durations (such as the anticipated average duration of one year or less for the Fund's portfolio investments as described above) tend to be less sensitive to interest rate changes than securities with longer durations. In general, the value of a portfolio of securities with a shorter duration can be expected to be less sensitive to interest rate changes than a portfolio with a longer duration.

The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. issuers that are U.S. dollar or non-U.S. dollar denominated. Initially, the Fund does not intend to invest in non-U.S. dollar denominated securities. The Fund may not invest more than 20% of its Managed Assets in securities from an industry which (for the purposes of this Prospectus) generally refers to the classification of companies in the same or similar lines of business such as the automotive, textiles and apparel, hotels, media production and consumer retailing industries. The Fund may invest more than 20% of its Managed Assets in sectors which (for the purposes of this Prospectus) generally refers to broader classifications of industries, such as the consumer discretionary sector which includes the automotive, textiles and

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apparel, hotels, media production and consumer retailing industries, provided the Fund's investment in a particular industry within the sector does not exceed the industry limitation. In addition, the Fund may invest up to 50% of its Managed Assets in securities and other instruments that, at the time of investment, are illiquid (i.e., securities that are not readily marketable).

For a more complete discussion of the Fund's initial portfolio composition, see "--Portfolio Composition and Other Information."

The Fund cannot change its investment objective without the approval of the holders of a "majority of the outstanding" Common Shares and FundPreferred shares voting together as a single class, and of the holders of a "majority of the outstanding" FundPreferred shares voting as a separate class. When used with respect to particular shares of the Fund, a "majority of the outstanding" shares means (i) 67% or more of the shares present at a meeting, if the holders of more than 50% of the shares are present or represented by proxy or (ii) more than 50% of the shares, whichever is less. See "Description of Shares--FundPreferred Shares--Voting Rights" and the Statement of Additional Information under "Description of Shares--FundPreferred Shares--Voting Rights" for additional information with respect to the voting rights of holders of FundPreferred shares.

### Overall Fund Management

NIAC is the Fund's investment adviser, responsible for the Fund's overall investment strategy and its implementation.

NIAC will oversee Symphony in its management of the Fund's portfolio. This oversight will include ongoing evaluation of Symphony's investment performance, portfolio allocations, quality of investment process and personnel, compliance with Fund and regulatory guidelines, trade allocation and execution, and other factors.

NIAC will also oversee the Fund's use of leverage, and efforts to minimize the costs and mitigate the risks to Common Shareholders associated with using financial leverage. See "Use of Leverage" and "Hedging Transactions" below.

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This effort may involve making adjustments to investment policies in an attempt to minimize costs and mitigate risks.

### Symphony Investment Philosophy and Process

**Investment Philosophy.** Symphony believes that managing risk, particularly for volatile assets such as Senior Loans and other forms of high yield debt, is of paramount importance. Symphony believes that a combination of fundamental credit analysis and valuation information that is available from the equity markets provide a means of identifying what it believes to be superior investment candidates. Additionally, Symphony focuses primarily on liquid securities to help ensure that exit strategies remain available under different market conditions.

**Investment Process.** In identifying Senior Loans and other securities for potential purchase, Symphony combines quantitative screening and fundamental and relative value analysis. Symphony screens the identified investment candidates for liquidity constraints and favorable capital structures. The investment team then performs rigorous bottom-up fundamental analysis to identify investments with sound industry fundamentals, cash flow sufficiency and asset quality. The final portfolio is constructed using risk management and monitoring systems to ensure proper diversification.

### Portfolio Composition and Other Information

The Fund's portfolio will be composed principally of the following investments. A more detailed description of the Fund's investment policies and restrictions and more detailed information about the Fund's portfolio investments are contained in the Statement of Additional Information.

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**Senior Loans.** The Fund may invest (i) in Senior Loans made by banks or other financial institutions to Borrowers, (ii) assignments of such interests in Senior Loans or (iii) participation interests in Senior Loans. Senior Loans hold the most senior position in the capital structure of a Borrower, are typically secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by subordinated debt holders and stockholders of the Borrower. The capital structure of a Borrower may include Senior Loans, senior and junior subordinated debt, preferred stock and common stock issued by the Borrower, typically in descending order of seniority with respect to claims on the Borrower's assets. The proceeds of Senior Loans primarily are used by Borrowers to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, refinancings, internal growth and for other corporate purposes. A Senior Loan is typically originated, negotiated and structured by a U.S. or non-U.S. commercial bank, insurance company, finance company or other financial institution ("Agent") for a lending syndicate of financial institutions which typically includes the Agent ("Lenders"). The Agent typically administers and enforces the Senior Loan on behalf of the other Lenders in the syndicate. In addition, an institution, typically but not always the Agent, holds any collateral on behalf of the Lenders. The Fund normally will rely primarily on the Agent to collect principal of and interest on a Senior Loan. Also, the Fund usually will rely on the Agent to monitor compliance by the Borrower with the restrictive covenants in a loan agreement.

Senior Loans in which the Fund will invest generally pay interest at rates that are redetermined periodically at short-term intervals by reference to a base lending rate, plus a premium. Senior Loans typically have rates of interest that are redetermined either daily, monthly, quarterly or

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semi-annually by reference to a base lending rate plus a premium or credit spread. These base lending rates are primarily LIBOR, and secondarily the prime rate offered by one or more major U.S. banks (the "Prime Rate") and the certificate of deposit ("CD") rate or other base lending rates used by commercial lenders. As adjustable rate loans, the frequency of how often a Senior Loan resets its interest rate will impact how closely such Senior Loans track current market interest rates. The Senior Loans held by the Fund will have a dollar-weighted average period until the next interest rate adjustment of approximately 90 days or less. As a result, as short-term interest rates increase, interest payable to the Fund from its investments in Senior Loans should increase, and as short-term interest rates decrease, interest payable to the Fund from its investments in Senior Loans should decrease. The Fund may utilize derivative instruments to shorten the effective interest rate redetermination period of Senior Loans in its portfolio. Senior Loans typically have a stated term of between one and eight years. In the experience of Symphony, the average life of Senior Loans in recent years has been approximately two years because of prepayments.

The Fund expects primarily to purchase Senior Loans by assignment from a participant in the original syndicate of lenders or from subsequent assignees of such interests. The purchaser of an assignment typically succeeds to all the rights and obligations under the loan agreement with the same rights and obligations as the assigning Lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning Lender.

The Fund also may purchase participation interests in the original syndicate making Senior Loans. Loan participation interests typically represent direct participations in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. The Fund may participate in such syndications, or can buy part of a Senior Loan, becoming a part Lender. When purchasing a participation interest, the Fund assumes the credit risk associated with the corporate Borrower and may assume the credit risk associated with an interposed bank or other financial intermediary. The participation interests in which the Fund intends to invest may not be rated by any NRSRO. See "Risks--Senior Loan Risks--Participation Risk."

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The Fund may purchase and retain in its portfolio Senior Loans where the Borrowers have experienced, or may be perceived to be likely to experience, credit problems, including involvement in or recent emergence from bankruptcy reorganization proceedings or other forms of debt restructuring. Such investments may provide opportunities for enhanced income as well as capital appreciation. At times, in connection with the restructuring of a Senior Loan either outside of bankruptcy court or in the context of bankruptcy court proceedings, the Fund may determine or be required to accept equity securities or junior debt securities in exchange for all or a portion of a Senior Loan. See "--Non-Senior Loan Investments--Warrants and Equity Securities."

Non-Senior Loan Investments. The Fund may invest in debt instruments and other securities as described below:

Corporate Bonds. Corporate bonds generally are used by corporations to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and normally must repay the amount borrowed on or before maturity. Certain bonds are "perpetual" in that they have no maturity date. The Fund may invest in bonds and other debt securities of any quality.



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Structured Notes. The Fund may utilize structured notes and similar instruments for investment purposes and also for hedging purposes. Structured notes are privately negotiated debt obligations or economically equivalent instruments where the principal and/or interest is determined by reference to the performance of a benchmark asset, market or interest rate (an "embedded index"), such as selected securities or loans, an index of securities or loans, or specified interest rates, or the differential performance of two assets or markets. The interest and/or principal payments that may be made on a structured product may vary widely, depending on a variety of factors, including the volatility of the embedded index and the effect of changes in the embedded index on principal and/or interest payments. If the Fund invests in structured notes that are designed to provide returns and risks that emulate those of Senior Loans, the Fund may treat the value of (or, if applicable, the notional amount of) such investment as an investment in Senior Loans for purposes of determining compliance with the requirement set forth above that at least 80% of the Fund's Managed Assets be invested under normal market circumstances in Senior Loans, except to the extent that the value (or notional amount) of such investments exceeds 5% of the Fund's Managed Assets. Any such investment amounts that exceed 5% of the Fund's Managed Assets will be treated as a type of "other debt instruments" which, in the aggregate, are limited to 20% of the Fund's Managed Assets.

U.S. Government Securities. U.S. Government securities include (1) U.S. Treasury obligations, which differ in their interest rates, maturities and times of issuance: U.S. Treasury bills (maturities of one year or less), U.S. Treasury notes (maturities of one year to ten years) and U.S. Treasury bonds (generally maturities of greater than ten years) and (2) obligations issued or guaranteed by U.S. Government agencies and instrumentalities that are supported by any of the following: (i) the full faith and credit of the U.S. Treasury, (ii) the right of the issuer to borrow an amount limited to a specific line of credit from the U.S. Treasury, (iii) discretionary authority of the U.S. Government to purchase certain obligations of the U.S. Government agency or instrumentality or (iv) the credit of the agency or instrumentality. The Fund also may invest in any other security or agreement collateralized or otherwise secured by U.S. Government securities. Agencies and instrumentalities of the U.S. Government include but are not limited to: Federal Land Banks, Federal Financing Banks, Banks for Cooperatives, Federal Intermediate Credit Banks, Farm Credit Banks, Federal Home Loan Banks, FHLMC, FNMA, GNMA, Student Loan Marketing Association, United States Postal Service, Small Business Administration, Tennessee Valley Authority and any other enterprise established or sponsored by the U.S. Government. Because the U.S. Government generally is not obligated to provide support to its instrumentalities, the Fund will invest in obligations issued by these instrumentalities only if Symphony determines that the credit risk with respect to such obligations is minimal.

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The principal of and/or interest on certain U.S. Government securities which may be purchased by the Fund could be (i) payable in non-U.S. currencies rather than U.S. dollars or (b) increased or diminished as a result of changes in the value of the U.S. dollar relative to the value of non-U.S. currencies. The value of such portfolio securities may be affected by changes in the exchange rate between foreign currencies and the U.S. dollar.

Commercial Paper. Commercial paper represents short-term unsecured promissory notes issued in bearer form by corporations such as banks or bank holding companies and finance companies. The rate of return on commercial paper may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies.

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**Warrants and Equity Securities.** The Fund may acquire equity securities and warrants issued by a Borrower or its affiliates as part of a package of investments in the Borrower or its affiliates issued in connection with a Senior Loan of the Borrower. The Fund also may convert a warrant so acquired into the underlying security. Investments in warrants and equity securities entail certain risks in addition to those associated with investments in Senior Loans. The value of these securities may be affected more rapidly, and to a greater extent, by company-specific developments and general market conditions. These risks may increase fluctuations in the Fund's net asset value. The Fund may possess material non-public information about a Borrower as a result of its ownership of a Senior Loan of such Borrower. Because of prohibitions on trading in securities of issuers while in possession of such information the Fund might be unable to enter into a transaction in a security of such a Borrower when it would otherwise be advantageous to do so.

**Repurchase Agreements.** The Fund may enter into repurchase agreements (the purchase of a security coupled with an agreement to resell that security at a higher price) with respect to its permitted investments. The Fund's repurchase agreements will provide that the value of the collateral underlying the repurchase agreement will always be at least equal to the repurchase price, including any accrued interest earned on the agreement, and will be marked to market daily.

**Other Securities.** The Fund may invest in convertible securities, mortgage-related and other asset-backed securities, and sovereign debt securities, each of which are discussed in more detail in the Statement of Additional Information.

**Securities Issued by Non-U.S. Issuers.** The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. issuers that are U.S. dollar or non-U.S. dollar denominated. Initially, the Fund does not intend to invest in non-U.S. dollar denominated securities. The Fund's Managed Assets to be invested in Senior Loans and other debt instruments of non-U.S. issuers may include debt securities of issuers located, or conducting their business in, emerging markets countries. Initially, the Fund does not intend to invest in securities of emerging market issuers. The Fund may invest in any region of the world and invest in companies operating in developed countries such as Canada, Japan, Australia, New Zealand and most Western European countries. As used in this Prospectus, an "emerging market" country is any country determined to have an emerging markets economy, considering, among other things, factors such as whether the country has a low-to-middle-income economy according to the World Bank or its related organizations, the country's credit rating, its political and economic stability and the development of its financial and capital markets. These countries generally include countries located in Latin America, the Caribbean, Asia, Africa, the Middle East and Eastern and Central Europe.

**Zero Coupon Bonds.** The Fund's investments in debt securities may be in the form of a zero coupon bond. A zero coupon bond is a bond that does not pay interest for the entire life of the obligation. Zero coupon bonds allow an issuer to avoid or delay the need to generate cash to meet current interest payments and, as a result, may involve greater credit risk than bonds that pay interest currently. The Fund would be required to distribute the income on any of these instruments as it accrues, even though the Fund will not receive any of the income on a current basis. Thus, the Fund may have to sell other

investments, including when it may not be advisable to do so, to make income distributions to its Common Shareholders.

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**When-Issued and Delayed Delivery Transactions.** The Fund may buy and sell securities on a when-issued or delayed delivery basis, making payment or taking delivery at a later date, normally within 15 to 45 days of the trade date. This type of transaction may involve an element of risk because no interest accrues on the securities prior to settlement and, because securities are subject to market fluctuations, the value of the securities at time of delivery may be less (or more) than their cost. A separate account of the Fund will be established with its custodian consisting of cash equivalents or liquid securities having a market value at all times at least equal to the amount of any delayed payment commitment.

**No Inverse Floating Rate Securities.** The Fund will not invest in inverse floating rate securities, which are securities that pay interest at rates that vary inversely with changes in prevailing interest rates and which represent a leveraged investment in an underlying security.

**Hedging Transactions.** The Fund may use derivatives or other transactions for the purpose of hedging the portfolio's exposure to high yield credit risk, foreign currency exchange rate risk and the risk of increases in interest rates. The specific derivative instruments to be used, or other transactions to be entered into, each for hedging purposes may include the purchase or sale of futures contracts on securities, credit-linked notes, securities indices, other indices or other financial instruments; options on futures contracts; exchange-traded and over-the-counter options on securities or indices; index-linked securities; swaps; and currency exchange transactions. Some, but not all, of the derivative instruments may be traded and listed on an exchange. The positions in derivatives will be marked-to-market daily at the closing price established on the exchange or at a fair value. See "Risks--Hedging Risk," "Hedging Transactions," "Risks--Counterparty Risk" and "Other Investment Policies and Techniques" in the Fund's Statement of Additional Information for further information on hedging transactions.

**Illiquid Securities.** The Fund may invest up to 50% of its Managed Assets in securities and other instruments that, at the time of investment, are illiquid (i.e., securities that are not readily marketable). For this purpose, illiquid securities may include, but are not limited to, restricted securities (securities the disposition of which is restricted under the federal securities laws), securities that may only be resold pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), that are deemed to be illiquid, and certain repurchase agreements. The Board of Trustees or its delegate has the ultimate authority to determine which securities are liquid or illiquid for purposes of this 50% limitation. The Board of Trustees has delegated to the Advisers the day-to-day determination of the illiquidity of any security held by the Fund, although it has retained oversight and ultimate responsibility for such determinations. No definitive liquidity criteria are used. The Board of Trustees has directed the Advisers when making liquidity determinations to look for such factors as (i) the nature of the market for a security (including the institutional private resale market; the frequency of trades and quotes for the security; the number of dealers willing to purchase or sell the security; the amount of time normally needed to dispose of the security; and the method of soliciting offers and the mechanics of transfer), (ii) the terms of certain securities or other instruments allowing for the disposition to a third party or the issuer thereof (e.g., certain repurchase obligations and demand instruments), and (iii) other relevant factors.

Restricted securities may be sold only in privately negotiated transactions or in a public offering with respect to which a registration statement is in effect under the Securities Act. Where registration is required, the Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Fund may be permitted to sell a security under an effective registration

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statement. If, during such a period, adverse market

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conditions were to develop, the Fund might obtain a less favorable price than that which prevailed when it decided to sell. Illiquid securities will be priced at fair value as determined in good faith by the Board of Trustees or its delegate. If, through the appreciation of illiquid securities or the depreciation of liquid securities, the Fund should be in a position where more than 50% of the value of its Managed Assets is invested in illiquid securities, including restricted securities that are not readily marketable, the Fund will take such steps as are deemed advisable, if any, to protect liquidity.

**Short-Term/Long-Term Debt Securities; Defensive Position; Invest-Up Period.** During temporary defensive periods or in order to keep the Fund's cash fully invested, including the period during which the net proceeds of the offering of Common Shares or FundPreferred shares are being invested, the Fund may deviate from its investment objective and invest all or any portion of its assets in investment grade debt securities, including obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities. In such a case, the Fund may not pursue or achieve its investment objective. In addition, upon Symphony's recommendation that a change would be in the best interests of the Fund and upon concurrence by NIAC, and subject to approval by the Board of Trustees of the Fund, Symphony may deviate from its investment guidelines discussed herein.

**Other Investment Companies.** The Fund may invest up to 10% of its Managed Assets in securities of other open- or closed-end investment companies that invest primarily in securities of the types in which the Fund may invest directly. In addition, the Fund may invest a portion of its Managed Assets in pooled investment vehicles (other than investment companies) that invest primarily in securities of the types in which the Fund may invest directly. The Fund generally expects that it may invest in other investment companies and/or pooled investment vehicles either during periods when it has large amounts of uninvested cash, such as the period shortly after the Fund receives the proceeds of the offering of its Common Shares or FundPreferred shares and/or Borrowings, or during periods when there is a shortage of attractive securities of the types in which the Fund may invest in directly available in the market. As an investor in an investment company, the Fund will bear its ratable share of that investment company's expenses, and would remain subject to payment of the Fund's advisory and administrative fees with respect to assets so invested. Common Shareholders would therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies. Symphony will take expenses into account when evaluating the investment merits of an investment in the investment company relative to available securities of the types in which the Fund may invest directly. In addition, the securities of other investment companies also may be leveraged and therefore will be subject to the same leverage risks described herein. As described in the section entitled "Risks--Leverage Risk," the net asset value and market value of leveraged shares will be more volatile and the yield to shareholders will tend to fluctuate more than the yield generated by unleveraged shares. The Fund will treat its investments in such investment companies as investments in Senior Loans for all purposes, such as for purposes of determining compliance with the requirement set forth above that at least 80% of the Fund's Managed Assets be invested under normal market circumstances in Senior Loans.

**Lending of Portfolio Securities.** The Fund may lend its portfolio securities to broker-dealers and banks. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to the market value of the securities loaned by the Fund.

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The Fund would continue to receive the equivalent of the interest or dividends paid by the issuer on the securities loaned through payments from the borrower, although such amounts received from the borrower would not be eligible to be treated as tax-advantaged dividends. The Fund would also receive an additional return that may be in the form of a fixed fee or a percentage of the collateral. The Fund may pay reasonable fees to persons unaffiliated with the Fund for services in arranging these loans. The Fund would have the right to call the loan and obtain the securities loaned at any time on notice of not more than five business days. The Fund would not have the right to vote the securities during the existence of the loan but would call the loan to permit voting of the securities, if, in an Adviser's

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judgment, a material event requiring a shareholder vote would otherwise occur before the loan was repaid. In the event of bankruptcy or other default of the borrower, the Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses, including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period while the Fund seeks to enforce its rights thereto, (b) possible subnormal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights.

**Portfolio Turnover.** The Fund may engage in portfolio trading when considered appropriate, but short-term trading will not be used as the primary means of achieving the Fund's investment objective. Although the Fund cannot accurately predict its annual portfolio turnover rate, it is not expected to exceed 50% under normal circumstances. However, there are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when, in the opinion of Symphony, investment considerations warrant such action. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Fund. High portfolio turnover may result in the realization of net short-term capital gains by the Fund which, when distributed to shareholders, will be taxable as ordinary income. See "Tax Matters."

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### USE OF LEVERAGE

Following the completion of this offering, the Fund intends to seek to increase Common Share net income by issuing FundPreferred shares and/or Borrowings and investing the proceeds in the manner described herein. The Fund's Board of Trustees has authorized an offering of FundPreferred shares representing approximately 38% of the Fund's Managed Assets that the Fund expects will likely be issued within approximately one and one-half to two months after completion of the offering of Common Shares. The amount of outstanding FundPreferred shares may vary with prevailing market or economic conditions. The timing and terms of any leverage transactions will be determined by the Fund's Board of Trustees. Unless and until the Fund uses leverage, this section will not apply.

Because both Senior Loans and the Fund's FundPreferred shares 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 FundPreferred share dividend rate and/or the interest rate on Borrowings.

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The Fund intends to apply for ratings from a NRSRO (most likely S&P, Moody's and/or Fitch) for any FundPreferred shares and commercial paper or notes it may issue. The Fund anticipates that any FundPreferred shares that it intends to issue initially would be given ratings of at least AA/Aa by such NRSROs as S&P ("AA"), Moody's ("Aa") or Fitch ("AA").

FundPreferred shares and Borrowings will each have seniority over the Common Shares. The issuance of FundPreferred shares and/or use of Borrowings will leverage the Common Shares. There is no assurance that the Fund's leveraging strategy will be successful.

Changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds from the issuance of FundPreferred shares or Borrowings, will be borne entirely by the Common Shareholders. If there is a net decrease (or increase) in the value of the Fund's investment portfolio, the leverage will decrease (or increase) the net asset value per Common Share to a greater extent than if the Fund were not leveraged. During periods in which the Fund uses leverage, the fees paid to NIAC (and to Symphony) for advisory services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund's Managed Assets, which includes the proceeds from the issuance of FundPreferred shares and Borrowings.

Under the 1940 Act, the Fund is not permitted to issue its own preferred shares unless immediately after the issuance the value of the Fund's total net assets is at least 200% of the liquidation value of the outstanding preferred shares (i.e., such liquidation value may not exceed 50% of the Fund's total assets less liabilities other than borrowings). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Shares unless, at the time of such declaration, the value of the Fund's total assets less liabilities other than borrowings is at least 200% of such liquidation value. If FundPreferred shares are issued, the Fund intends, to the extent possible, to purchase or redeem FundPreferred shares from time to time to the extent necessary in order to maintain coverage of any FundPreferred shares of at least 200%. If FundPreferred shares are outstanding, two of the Fund's trustees will be elected by the holders of FundPreferred shares, voting separately as a class. The remaining trustees of the Fund will be elected by holders of Common Shares and FundPreferred shares voting together as a single class. In the event the Fund failed to pay dividends on FundPreferred shares for two years, FundPreferred shares would be entitled to elect a majority of the trustees of the Fund. The failure to pay dividends or make distributions could result in the Fund ceasing to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"), which could have a material adverse effect on the value of the Common Shares.

Under the 1940 Act, the Fund generally is not permitted to issue commercial paper or notes or borrow unless immediately after the borrowing or commercial paper or note issuance the value of the

Fund's total assets less liabilities other than the principal amount represented by commercial paper, notes or borrowings, is at least 300% of such principal amount. In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Shares unless, at the time of such declaration, the value of the Fund's total assets, less liabilities other than the principal amount represented by commercial paper, notes or borrowings, is at least 300% of such principal amount. If the Fund borrows, the Fund intends, to the extent possible, to maintain the required asset coverage. Failure to

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maintain certain asset coverage requirements could result in an event of default and entitle the debt holders to elect a majority of the Board of Trustees.

The Fund may be subject to certain restrictions imposed by either guidelines of one or more NRSROs that may issue ratings for FundPreferred shares, commercial paper or notes, or, if the Fund borrows from a lender, by the lender. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the Fund by the 1940 Act. It is not anticipated that these covenants or guidelines will impede the Advisers from managing the Fund's portfolio in accordance with the Fund's investment objective and policies. In addition to other considerations, to the extent that the Fund believes that the covenants and guidelines required by the NRSROs or lenders would impede its ability to meet its investment objective, or if the Fund is unable to obtain the rating on FundPreferred shares (expected to be at least AA/Aa), the Fund will not issue FundPreferred shares.

Assuming the utilization of leverage by issuing FundPreferred shares in an amount currently anticipated to represent approximately 38% of the Fund's Managed Assets, at a dividend or payment rate of 2.00% payable on such leverage, the income generated by the Fund's portfolio (net of non-leverage expenses) must exceed .76% in order to cover such dividend payments or payment rates and other expenses specifically related to FundPreferred shares. Of course, these numbers are merely estimates, used for illustration. Actual dividend or payment rates may vary frequently and may be significantly higher or lower than the rate estimated above.

The following table is furnished in response to requirements of the Securities and Exchange Commission. It is designed to illustrate the effect of leverage on Common Share total return, assuming investment portfolio total returns (comprised of income and changes in the value of investments held in the Fund's portfolio net of expenses) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns expected to be experienced by the Fund. The table further reflects the issuance of FundPreferred shares representing 38% of the Fund's Managed Assets, and the Fund's currently projected annual dividend rate or payment rate set by an interest rate transaction of 2.00%. See "Risks--Leverage Risk."

Assumed Portfolio Total Return (Net of					
Expenses).....	(10.00)%	(5.00)%	0.00 %	5.00%	10.00%
Common Share Total Return.....	(17.35)%	(9.29)%	(1.23)%	6.84%	14.90%

Common Share total return is comprised of two elements -- the Common Share dividends paid by the Fund (the amount of which is largely determined by the net investment income of the Fund after paying dividends on FundPreferred shares) and gains or losses on the value of the securities the Fund owns. As required by the Securities and Exchange Commission rules, the table assumes that the Fund is more likely to suffer capital losses than to enjoy capital appreciation.

### HEDGING TRANSACTIONS

The Fund may use derivatives or other transactions solely for the purpose of hedging a portion of its portfolio holdings or in connection with the Fund's

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anticipated use of leverage through its sale of FundPreferred shares or Borrowings.

**Portfolio Hedging Transactions.** The Fund may use derivatives or other transactions solely for purposes of hedging the portfolio's exposure to high yield credit risk, foreign currency exchange rate risk and the risk of increases in interest rates. The specific derivative instruments to be used, or other transactions to be entered into, each for hedging purposes, may include the purchase or sale of futures contracts on securities, credit-linked notes, securities indices, other indices or other financial instruments; options on futures contracts; exchange-traded and over-the-counter options on securities or indices; index-linked securities; swaps; and currency exchange transactions. Some, but not all, of the derivative instruments may be traded and listed on an exchange. The positions in derivatives will be marked-to-market daily at the closing price established on the relevant exchange or at a fair value. For a complete discussion of these derivative securities, see the Statement of Additional Information.

There may be an imperfect correlation between changes in the value of the Fund's portfolio holdings and hedging positions entered into by the Fund, which may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. In addition, the Fund's success in using hedging instruments is subject to Symphony's ability to predict correctly changes in the relationships of such hedge instruments to the Fund's portfolio holdings or other factors, and there can be no assurance that Symphony's judgment in this respect will be correct. Consequently, the use of hedging transactions might result in a poorer overall performance for the Fund, whether or not adjusted for risk, than if the Fund had not hedged its portfolio holdings. In addition, there can be no assurance that the Fund will enter into hedging or other transactions at times or under circumstances in which it would be advisable to do so. See "Risks--Hedging Risk."

**Futures Contracts and Options on Futures Contracts.** The Fund's use of derivative instruments may include (i) U.S. Treasury security or U.S. Government Agency security futures contracts and (ii) options on U.S. Treasury security or U.S. Government Agency security futures contracts. All such instruments must be traded and listed on an exchange. U.S. Treasury and U.S. Government Agency futures contracts are standardized contracts for the future delivery of a U.S. Treasury Bond or U.S. Treasury Note or a U.S. Government Agency security or their equivalent at a future date at a price set at the time of the contract. An option on a U.S. Treasury or U.S. Government Agency futures contract, as contrasted with the direct investment in such a contract, gives the purchaser of the option the right, in return for the premium paid, to assume a position in a U.S. Treasury or U.S. Government Agency futures contract at a specified exercise price at any time on or before the expiration date of the option. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's future margin account, which represents the amount by which the market price of the futures contract exceeds the exercise price of the option on the futures contract.

The Fund may purchase and sell various other kinds of financial futures contracts and options thereon. Futures contracts may be based on various debt securities and securities indices (such as the Municipal Bond Index traded on the Chicago Board of Trade). Such transactions involve a risk of loss or depreciation due to unanticipated adverse changes in securities prices, which may exceed the Fund's initial investment in these contracts. The Fund will only purchase or sell futures contracts or related options in compliance with the rules of the Commodity Futures Trading Commission. These transactions involve transaction costs. There can be no assurance that the Fund's use of futures will be advantageous to the Fund. Guidelines established by one or more NRSROs that rate any FundPreferred shares issued by the Fund may limit use of these



transactions.

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**Credit-Linked Notes.** The Fund may invest in credit-linked notes ("CLN") for risk management purposes, including diversification. A CLN is a derivative instrument that is a synthetic obligation between two or more parties where the payment of principal and/or interest is based on the performance of some obligation (a reference obligation). In addition to credit risk of the reference obligation and interest rate risk, the buyer/seller of the CLN is subject to counterparty risk. See "Risks--Counterparty Risk."

**Swaps.** Swap contracts may be purchased or sold to hedge against fluctuations in securities prices, interest rates or market conditions, to change the duration of the overall portfolio, or to mitigate default risk. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) to be exchanged or "swapped" between the parties, which returns are calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or in a "basket" of securities representing a particular index.

**Credit Default Swaps.** The Fund may enter into credit default swap contracts for risk management purposes, including diversification. When the Fund is the buyer of a credit default swap contract, the Fund is entitled to receive the par (or other agreed-upon) value of a referenced debt obligation from the counterparty to the contract in the event of a default by a third party, such as a U.S. or non-U.S. corporate issuer, on the debt obligation. In return, the Fund would pay the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the Fund would have spent the stream of payments and received no benefit from the contract. When the Fund is the seller of a credit default swap contract, it receives the stream of payments, but is obligated to pay upon default of the referenced debt obligation. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap. The Fund will segregate assets in the form of cash and cash equivalents in an amount equal to the aggregate market value of the credit default swaps of which it is the seller, marked to market on a daily basis. These transactions involve certain risks, including the risk that the seller may be unable to fulfill the transaction.

**Interest Rate Swaps.** The Fund will enter into interest rate and total return swaps only on a net basis, i.e., the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate swaps involve the exchange by the Fund with another party of their respective commitments to pay or receive interest (e.g., an exchange of fixed rate payments for floating rate payments). The Fund will only enter into interest rate swaps on a net basis. If the other party to an interest rate swap defaults, the Fund's risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive. The net amount of the excess, if any, of the Fund's obligations over its entitlements will be maintained in a segregated account by the Fund's custodian. The Fund will not enter into any interest rate swap unless the claims-paying ability of the other party thereto is considered to be investment grade by the Advisers. If there is a default by the other party to such a transaction, the Fund will have contractual remedies pursuant to the agreements related to the transaction. These instruments are traded in the over-the-counter market.

The Fund may use interest rate swaps for risk management purposes only and

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not as a speculative investment and would typically use interest rate swaps to shorten the average interest rate reset time of the Fund's holdings. Interest rate swaps involve the exchange by the Fund with another party of their respective commitments to pay or receive interest (e.g., an exchange of fixed rate payments for floating rate payments). The use of interest rate swaps is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If Symphony is incorrect in its forecasts of market values, interest rates and other applicable factors, the investment performance of the Fund would be unfavorably affected.

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**Total Return Swaps.** As stated above, the Fund will enter into total return swaps only on a net basis. Total return swaps are contracts in which one party agrees to make payments of the total return from the underlying asset(s), which may include securities, baskets of securities, or securities indices during the specified period, in return for payments equal to a fixed or floating rate of interest or the total return from other underlying asset(s).

**Currency Exchange Transactions.** The Fund may enter into currency exchange transactions to hedge the Fund's exposure to foreign currency exchange rate risk in the event the Fund invests in non-U.S. dollar denominated securities of non-U.S. issuers as described in this Prospectus. The Fund's currency transactions will be limited to portfolio hedging involving portfolio positions. Portfolio hedging is the use of a forward contract with respect to a portfolio security position denominated or quoted in a particular currency. A forward contract is an agreement to purchase or sell a specified currency at a specified future date (or within a specified time period) and price set at the time of the contract. Forward contracts are usually entered into with banks, foreign exchange dealers or broker-dealers, are not exchange-traded, and are usually for less than one year, but may be renewed.

It is impossible to forecast with absolute precision the market value of portfolio securities at the expiration of a forward contract. Accordingly, it may be necessary for the Fund to purchase additional currency on the spot market (and bear the expense of such purchase) if the market value of the security is less than the amount of currency that the Fund is obligated to deliver and if a decision is made to sell the security and make delivery of the currency. Conversely, it may be necessary to sell on the spot market some of the currency received upon the sale of the portfolio security if its market value exceeds the amount of currency the Fund is obligated to deliver.

**Other Hedging Transactions.** The Fund also may invest in relatively new instruments without a significant trading history for purposes of hedging the Fund's portfolio risks. See "Other Investment Policies and Techniques" in the Fund's Statement of Additional Information for further information on hedging transactions.

**Interest Rate Transactions.** The Fund expects that the Fund's portfolio investments in Senior Loans and other adjustable rate debt instruments will serve as a hedge against the risk that Common Share net income and/or returns may decrease due to rising market dividend or interest rates on Fund Preferred shares or Borrowings.

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RISKS

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The Fund is a diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The>

**WE RECOMMEND A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR ITS FISCAL YEAR ENDING DECEMBER 28, 2014 AND INTEND TO VOTE OUR SHARES “FOR” THIS PROPOSAL.**

## VOTING AND PROXY PROCEDURES

Only shareholders of record on the Record Date will be entitled to notice of and to vote at the Annual Meeting. Shareholders who sell their shares of Common Stock before the Record Date (or acquire them without voting rights after the Record Date) may not vote such shares of Common Stock. Shareholders of record on the Record Date will retain their voting rights in connection with the Annual Meeting even if they sell such shares of Common Stock after the Record Date. Based on publicly available information, GAMCO believes that the only outstanding class of securities of the Company entitled to vote at the Annual Meeting is the shares of Common Stock.

Shares of Common Stock represented by properly executed BLUE proxy cards will be voted at the Annual Meeting as marked and, in the absence of specific instructions, will be voted FOR the election of the Nominees, ABSTAIN on the approval of the Say-on-Pay Proposal, and FOR the ratification of the selection of Deloitte & Touche LLP.

According to the Company's proxy statement for the Annual Meeting, the current Board intends to nominate four candidates for election at the Annual Meeting. This Proxy Statement is soliciting proxies to elect our three Nominees. By voting on the BLUE proxy card, a shareholder will be voting for GAMCO's Nominees only. GAMCO does not have the power to exercise discretionary authority to fill the other Board positions. The BLUE proxy card does not confer voting power with respect to any of the Company's director nominees. Shareholders voting for GAMCO's Nominees on the BLUE proxy will be deprived with respect to the election of one other director. Under applicable proxy rules we are required either to solicit proxies only for our Nominees, which could result in limiting the ability of shareholders to fully exercise their voting rights with respect to the Company's nominees, or to solicit for our Nominees while also allowing shareholders to vote for fewer than all of the Company's nominees, which enables a shareholder who desires to vote for our Nominees to also vote for certain of the Company's nominees. There is no assurance that any of the Company's nominees will serve as directors if all or some of our Nominees are elected.

### QUORUM; BROKER NON-VOTES; DISCRETIONARY VOTING

A quorum is the minimum number of shares of Common Stock that must be represented at a duly called meeting in person or by proxy in order to legally conduct business at the meeting. For the Annual Meeting, the presence, in person or by proxy, of the holders of at least \_\_\_\_\_ shares of Common Stock, which represents a majority of the \_\_\_\_\_ shares of Common Stock outstanding as of the Record Date and entitled to vote, will be considered a quorum allowing votes to be taken and counted for the matters before the shareholders.

Abstentions are counted as present and entitled to vote for purposes of determining a quorum. Shares represented by "broker non-votes" also are counted as present and entitled to vote for purposes of determining a quorum. However, if you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote (a "broker non-vote"). Under current NYSE rules, your broker will not have discretionary authority to vote your shares at the Annual Meeting on any of the proposals that are put to a vote at the Annual Meeting.

If you are a shareholder of record, you must deliver your vote by mail or attend the Annual Meeting in person and vote in order to be counted in the determination of a quorum.

If you are a beneficial owner, your broker will vote your shares pursuant to your instructions, and those shares will count in the determination of a quorum. Brokers do not have discretionary authority to vote on any of the matters to be presented at the Annual Meeting. Accordingly, unless you vote via proxy card or provide instructions to your broker, your shares of Common Stock will not count for purposes of attaining a quorum.



## VOTES REQUIRED FOR APPROVAL

**Election of Directors** According to the Company's proxy statement, the four persons receiving the largest number of "yes" votes will be elected as a director. Under California law, since there is no particular percentage of either the outstanding shares or the shares represented at the meeting required to elect a director, abstentions and broker non-votes will have no effect on the election of directors. With respect to the election of directors, neither an abstention nor a broker non-vote will count as a vote cast "for" or "against" a director nominee. Therefore, abstentions and broker non-votes will have no direct effect on the outcome of the election of directors.

**Other Proposals** According to the Company's proxy statement, the affirmative vote of a majority of shares of Common Stock represented and voting at the Annual Meeting at which a quorum is present, together with the affirmative vote of at least a majority of the required quorum, shall be required to approve each of the other proposals. Shares of Common Stock that are voted "FOR," "AGAINST" or "ABSTAIN" on the proposal are treated as being present at the Annual Meeting for purposes of establishing the quorum, but only shares of Common Stock voted "FOR" or "AGAINST" are treated as shares of Common Stock "represented and voting" at the Annual Meeting with respect to the proposal. Accordingly, abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business. However, abstentions and broker non-votes will not be counted for purposes of determining the number of shares "represented and voting" with respect to the proposal. If you sign and submit your BLUE proxy card without specifying how you would like your shares voted, your shares will be voted in accordance with GAMCO's recommendations specified herein and in accordance with the discretion of the persons named on the BLUE proxy card with respect to any other matters that may be voted upon at the Annual Meeting.

## REVOCAION OF PROXIES

Shareholders of the Company may revoke their proxies at any time prior to exercise by attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute revocation of a proxy) or by delivering a written notice of revocation. The delivery of a subsequently dated proxy which is properly completed will constitute a revocation of any earlier proxy. The revocation may be delivered to GAMCO in care of Morrow at the address set forth on the back cover of this Proxy Statement or to the Company at 7800 Woodley Avenue, Van Nuys, California 91406 or any other address provided by the Company. Although a revocation is effective if delivered to the Company, we request that either the original or photostatic copies of all revocations be mailed to GAMCO in care of Morrow at the address set forth on the back cover of this Proxy Statement so that we will be aware of all revocations and can more accurately determine if and when proxies have been received from the holders of record on the Record Date of a majority of the outstanding shares of Common Stock. Additionally, Morrow may use this information to contact shareholders who have revoked their proxies in order to solicit later dated proxies for the election of the Nominees.

**IF YOU WISH TO VOTE FOR THE ELECTION OF THE NOMINEES TO THE BOARD, PLEASE SIGN, DATE AND RETURN PROMPTLY THE ENCLOSED BLUE PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED.**

## SOLICITATION OF PROXIES

The solicitation of proxies pursuant to this Proxy Statement is being made by GAMCO. Proxies may be solicited by mail, facsimile, telephone, Internet, in person and by advertisements.

GAMCO has entered into an agreement with Morrow for solicitation and advisory services in connection with this solicitation, for which Morrow will receive a fee not to exceed \$75,000, inclusive of reimbursement for its reasonable out-of-pocket expenses, unless prior approval for additional expenses is granted by GAMCO, and will be indemnified against certain liabilities and expenses, including certain liabilities under the federal securities laws. Morrow will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. GAMCO has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward all solicitation materials to the beneficial owners of the shares of Common Stock they hold of record. GAMCO will reimburse these record holders for their reasonable out-of-pocket expenses in so doing. Morrow expects that approximately 40 of its employees will assist in the solicitation.

Costs related to this solicitation of proxies, including expenditures for attorneys, accountants, public relations and financial advisors, proxy solicitors, advertising, printing, transportation and related expenses will be borne by GAMCO. Costs of this solicitation of proxies are currently estimated to be approximately \$\_\_\_\_\_. GAMCO estimates that through the date hereof its expenses in connection with the solicitation are approximately \$\_\_\_\_\_. To the extent legally permissible, GAMCO has the right to seek reimbursement from the Company for those expenses if any of our Nominees are elected. GAMCO does not currently intend to submit the question of such reimbursement to a vote of the shareholders.

## ADDITIONAL PARTICIPANT INFORMATION

The Nominees, GAMCO and Mr. Gabelli are participants in this solicitation. The principal business of GAMCO, a New York corporation, is acting as an investment manager providing discretionary managed account services for employee benefit plans, private investors, endowments, foundations and others. GAMCO is an investment adviser registered under the Advisers Act. Mr. Gabelli is the controlling shareholder, Chief Executive Officer and a director of GGCP, Inc. and Chairman and Chief Executive Officer of GAMCO Investors, Inc. Mr. Gabelli is also a member of GGCP Holdings LLC and the controlling shareholder of Teton Advisors, Inc.

The address of the principal office of each of GAMCO and Mr. Gabelli is One Corporate Center, Rye, New York 10580.

As of the date hereof, GAMCO beneficially owns 2,281,472 shares of Common Stock. GAMCO has dispositive power with respect to all of these shares of Common Stock, and has voting power with respect to 2,081,472 shares of Common Stock. As of the date hereof, GAMCO's affiliates beneficially own an additional 1,285,500 shares of Common Stock. By virtue of his respective position with each of GAMCO and its affiliates, Mr. Gabelli may be deemed to be the beneficial owner of all of the shares of Common Stock held by GAMCO and its affiliates. As of the date hereof, GAMCO, its affiliates and Mr. Gabelli own an aggregate of 3,566,972 shares of Common Stock.

The shares of Common Stock beneficially owned by each of GAMCO and its affiliates were purchased with funds that were provided through the accounts of certain investment advisory clients (and, in the case of some of such accounts at GAMCO, may be through borrowings from client margin accounts). For information regarding purchases and sales of securities of the Company during the past two years by the participants in this solicitation, see Schedule I.

Except as set forth in this Proxy Statement (including the Schedules hereto), (i) during the past 10 years, no participant in this solicitation has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors);

(ii) no participant in this solicitation directly or indirectly beneficially owns any securities of the Company; (iii) no participant in this solicitation owns any securities of the Company which are owned of record but not beneficially; (iv) no participant in this solicitation has purchased or sold any securities of the Company during the past two years; (v) no part of the purchase price or market value of the securities of the Company owned by any participant in this solicitation is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no participant in this solicitation is, or within the past year was, a party to any contract, arrangements or understandings with any person with respect to any securities of the Company, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any participant in this solicitation owns beneficially, directly or indirectly, any securities of the Company; (viii) no participant in this solicitation owns beneficially, directly or indirectly, any securities of any parent or subsidiary of the Company; (ix) no participant in this solicitation or any of his or its associates was a party to any transaction, or series of similar transactions, since the beginning of the Company's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000; (x) no participant in this solicitation or any of his or its associates has any arrangement or understanding with any person with respect to any future employment by the Company or its affiliates, or with respect to any future transactions to which the Company or any of its affiliates will or may be a party; and (xi) no participant in this solicitation has a substantial interest, direct or indirect, by securities holdings or otherwise in any matter to be acted on at the Annual Meeting.



There are no material proceedings to which any participant in this solicitation or any of his or its associates is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries. With respect to the Nominees, none of the events enumerated in Item 401(f)(1)-(8) of Regulation S-K of the Exchange Act occurred during the past ten years.

#### OTHER MATTERS AND ADDITIONAL INFORMATION

GAMCO is unaware of any other matters to be considered at the Annual Meeting. However, should other matters, which GAMCO is not aware of a reasonable time before this solicitation, be brought before the Annual Meeting, the persons named as proxies on the enclosed BLUE proxy card will vote on such matters in their discretion.

#### SHAREHOLDER PROPOSALS

Proposals of shareholders intended to be presented at the 2015 Annual Meeting, in order to be included in the Company's proxy statement and the form of proxy for the 2015 Annual Meeting, must be made by a qualified shareholder and received by the Company's Corporate Secretary at Superior Industries International, Inc., 7800 Woodley Avenue, Van Nuys, California 91406 no later than [ ], 2014 (the date that is 120 calendar days before the one year anniversary date of the Company's proxy statement released to shareholders for the Annual Meeting). However, if the 2015 Annual Meeting date has changed more than 30 days from this year's meeting, then the deadline is a reasonable time before the Company begins to print and send out proxy materials.

Under the Bylaws of the Company, a shareholder may directly nominate a candidate for election as a director of the Company with respect to an election to be held at an annual meeting of shareholders only if written notice of such intention is delivered to the Corporate Secretary not later than 120 days in advance of such annual meeting. Notice of any other proposal that a shareholder intends to present at the 2015 Annual Meeting, but does not intend to have included in the Company's proxy statement and form of proxy relating to the 2015 Annual Meeting, must be submitted not later than the close of business on [ ] (the date that is 45 days before the one year anniversary on which the Company first sent its proxy materials for the Annual Meeting); however, if the date of the 2015 Annual Meeting has changed by more than 30 days from this year's meeting, then notice must be received a reasonable time before the Company sends its proxy materials. The proxy solicited by the Board for the 2015 Annual Meeting will confer discretionary voting authority with respect to any proposal presented by a shareholder at that meeting for which the Company has not been provided with timely notice, or, even if there is timely notice, the shareholder does not comply with the requirements of Rule 14a-4(c)(2) promulgated under the Exchange Act.

The information set forth above regarding the procedures for submitting shareholder proposals for consideration at the 2015 Annual Meeting is based on information contained in the Company's proxy statement and organizational documents filed by the Company with the SEC. The incorporation of this information in this proxy statement should not be construed as an admission by GAMCO that such procedures are legal, valid or binding.

INCORPORATION BY REFERENCE

WE HAVE OMITTED FROM THIS PROXY STATEMENT CERTAIN DISCLOSURE REQUIRED BY APPLICABLE LAW THAT IS EXPECTED TO BE INCLUDED IN THE COMPANY'S PROXY STATEMENT RELATING TO THE ANNUAL MEETING. THIS DISCLOSURE IS EXPECTED TO INCLUDE, AMONG OTHER THINGS, CURRENT BIOGRAPHICAL INFORMATION ON THE COMPANY'S DIRECTORS, INFORMATION CONCERNING EXECUTIVE COMPENSATION, AND OTHER IMPORTANT INFORMATION. SEE SCHEDULE II FOR INFORMATION REGARDING PERSONS WHO BENEFICIALLY OWN MORE THAN 5% OF THE SHARES AND THE OWNERSHIP OF THE SHARES BY THE DIRECTORS AND MANAGEMENT OF THE COMPANY.

The information concerning the Company contained in this Proxy Statement and the Schedules attached hereto has been taken from, or is based upon, publicly available information.

GAMCO ASSET MANAGEMENT INC.

\_\_\_\_\_, 2014

## SCHEDULE I

TRANSACTIONS IN SECURITIES OF THE COMPANY  
DURING THE PAST TWO YEARS

Purchase / Sale	Date of Purchase / Sale	Shares of Common Stock Purchased / Sold
GAMCO ASSET MANAGEMENT INC.		
Purchase	06/11/2012	5,000
Purchase	06/11/2012	500
Purchase	06/12/2012	1,000
Purchase	06/12/2012	500
Purchase	06/13/2012	3,000
Purchase	06/13/2012	3,000
Purchase	06/13/2012	1,000
Purchase	06/15/2012	2,000
Purchase	06/15/2012	3,000
Purchase	06/15/2012	1,000
Purchase	06/15/2012	1,500
Purchase	06/15/2012	1,000
Purchase	06/15/2012	1,100
Sale	06/15/2012	1,300
Purchase	06/15/2012	3,000
Purchase	06/15/2012	1,500
Purchase	06/15/2012	400
Purchase	06/18/2012	3,000
Purchase	06/18/2012	2,000
Purchase	06/18/2012	2,800
Purchase	06/18/2012	2,200
Purchase	06/19/2012	3,000
Purchase	06/19/2012	1,000
Sale	06/21/2012	700
Purchase	06/21/2012	500
Purchase	06/21/2012	1,000
Purchase	06/22/2012	12,000
Sale	06/22/2012	500
Purchase	06/26/2012	2,500
Sale	06/26/2012	500
Purchase	06/26/2012	1,000
Sale	06/26/2012	1,000
Purchase	06/26/2012	1,000
Purchase	06/26/2012	3,500
Purchase	06/26/2012	900
Purchase	06/26/2012	100
Purchase	06/26/2012	500
Purchase	06/27/2012	1,000
Purchase	06/27/2012	500

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Purchase	06/29/2012	3,000
Purchase	06/29/2012	1,000

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Purchase	07/02/2012	900
Purchase	07/05/2012	3,000
Purchase	07/05/2012	500
Purchase	07/06/2012	2,500
Purchase	07/06/2012	2,000
Purchase	07/11/2012	1,000
Purchase	07/12/2012	1,000
Purchase	07/12/2012	1,000
Purchase	07/12/2012	3,000
Purchase	07/13/2012	700
Purchase	07/13/2012	1,000
Purchase	07/16/2012	3,000
Purchase	07/16/2012	200
Purchase	07/19/2012	1,000
Purchase	07/20/2012	4,000
Sale	07/20/2012	3,000
Purchase	07/23/2012	1,000
Purchase	07/24/2012	400
Purchase	07/30/2012	1,000
Purchase	08/02/2012	1,000
Purchase	08/06/2012	3,100
Purchase	08/10/2012	500
Purchase	08/10/2012	500
Purchase	08/14/2012	700
Purchase	08/14/2012	700
Purchase	08/15/2012	100
Purchase	08/17/2012	4,000
Purchase	08/17/2012	4,000
Purchase	08/21/2012	500
Sale	08/21/2012	3,000
Purchase	08/21/2012	900
Purchase	08/22/2012	3,063
Purchase	08/23/2012	3,000
Sale	08/23/2012	4,000
Purchase	08/24/2012	3,000
Purchase	08/24/2012	801
Purchase	08/31/2012	2,000
Sale	09/04/2012	1,500
Purchase	09/04/2012	4,000
Purchase	09/04/2012	3,000
Purchase	09/05/2012	1,000
Purchase	09/05/2012	3,000
Purchase	09/07/2012	1,300
Purchase	09/07/2012	500
Purchase	09/12/2012	4,000
Purchase	09/12/2012	1,199
Sale	09/19/2012	4,000
Purchase	09/19/2012	1,000
Purchase	09/19/2012	3,000

Purchase

09/20/2012

1,296

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Purchase	09/20/2012	1,000
Purchase	09/21/2012	904
Purchase	09/21/2012	800
Purchase	09/21/2012	300
Purchase	09/21/2012	500
Purchase	09/21/2012	500
Purchase	10/03/2012	1,000
Purchase	10/04/2012	1,000
Sale	10/10/2012	3,000
Purchase	10/15/2012	1,000
Sale	10/31/2012	1,000
Purchase	11/01/2012	9,692
Purchase	11/01/2012	1,000
Purchase	11/01/2012	1,000
Purchase	11/01/2012	800
Purchase	11/01/2012	1,000
Purchase	11/01/2012	300
Purchase	11/01/2012	400
Purchase	11/01/2012	1,000
Purchase	11/01/2012	1,000
Purchase	11/02/2012	500
Purchase	11/02/2012	400
Purchase	11/02/2012	300
Purchase	11/02/2012	300
Purchase	11/02/2012	400
Purchase	11/02/2012	300
Purchase	11/02/2012	300
Purchase	11/02/2012	500
Purchase	11/02/2012	408
Purchase	11/02/2012	10,000
Purchase	11/05/2012	3,000
Purchase	11/06/2012	2,800
Purchase	11/06/2012	2,200
Purchase	11/06/2012	12,000
Purchase	11/07/2012	500
Purchase	11/07/2012	400
Purchase	11/07/2012	4,000
Purchase	11/07/2012	84
Purchase	11/07/2012	400
Purchase	11/07/2012	600
Purchase	11/07/2012	400
Purchase	11/07/2012	2,000
Purchase	11/08/2012	5,000
Purchase	11/08/2012	416
Purchase	11/08/2012	1,000
Purchase	11/08/2012	1,000
Purchase	11/08/2012	1,000
Purchase	11/09/2012	1,000
Purchase	11/09/2012	1,500

Purchase

11/09/2012

300

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Purchase	11/09/2012	200
Purchase	11/09/2012	300
Purchase	11/09/2012	200
Purchase	11/09/2012	1,457
Purchase	11/12/2012	500
Purchase	11/12/2012	200
Purchase	11/12/2012	500
Purchase	11/12/2012	400
Purchase	11/12/2012	1,000
Purchase	11/12/2012	1,379
Purchase	11/12/2012	1,500
Purchase	11/12/2012	400
Purchase	11/12/2012	2,700
Purchase	11/12/2012	1,500
Purchase	11/12/2012	543
Purchase	11/12/2012	2,500
Purchase	11/12/2012	500
Purchase	11/12/2012	1,000
Purchase	11/12/2012	1,500
Purchase	11/12/2012	2,500
Purchase	11/12/2012	300
Purchase	11/12/2012	300
Purchase	11/12/2012	300
Purchase	11/12/2012	500
Purchase	11/13/2012	900
Purchase	11/13/2012	1,621
Purchase	11/13/2012	2,300
Purchase	11/13/2012	500
Purchase	11/14/2012	2,100
Purchase	11/14/2012	2,420
Purchase	11/14/2012	1,000
Purchase	11/14/2012	1,500
Purchase	11/14/2012	3,000
Purchase	11/14/2012	200
Purchase	11/15/2012	400
Purchase	11/16/2012	2,033
Purchase	11/16/2012	2,500
Purchase	11/16/2012	203
Purchase	11/16/2012	500
Purchase	11/16/2012	500
Purchase	11/19/2012	1,000
Purchase	11/19/2012	800
Purchase	11/19/2012	2,798
Purchase	11/19/2012	50
Purchase	11/19/2012	150
Purchase	11/19/2012	2,000
Purchase	11/20/2012	200
Purchase	11/20/2012	200
Purchase	11/20/2012	100

Purchase

11/20/2012

100

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Purchase	11/20/2012	200
Purchase	11/20/2012	100
Purchase	11/20/2012	100
Purchase	11/20/2012	200
Purchase	11/21/2012	2,749
Purchase	11/26/2012	200
Purchase	11/26/2012	1,400
Purchase	11/26/2012	5,600
Purchase	11/26/2012	2,000
Purchase	11/26/2012	600
Purchase	11/27/2012	800
Purchase	11/27/2012	6,472
Sale	11/28/2012	4,000
Purchase	11/28/2012	2,928
Purchase	12/14/2012	5,300
Purchase	12/14/2012	1,200
Purchase	12/21/2012	5,600
Purchase	12/21/2012	4,400
Purchase	12/24/2012	15,000
Purchase	12/24/2012	2,900
Purchase	12/24/2012	600
Purchase	12/24/2012	500
Purchase	12/27/2012	4,000
Sale	01/02/2013	1,000
Sale	01/03/2013	600
Purchase	01/03/2013	5,000
Purchase	01/03/2013	8,397
Sale	01/04/2013	4,000
Purchase	01/15/2013	400
Purchase	01/15/2013	2,000
Purchase	01/15/2013	700
Purchase	01/15/2013	200
Purchase	01/15/2013	100
Purchase	01/16/2013	2,200
Purchase	01/16/2013	400
Purchase	01/16/2013	400
Purchase	01/17/2013	600
Purchase	01/17/2013	1,300
Purchase	01/18/2013	1,000
Sale	01/22/2013	500
Purchase	01/24/2013	374
Purchase	01/24/2013	926
Sale	01/25/2013	500
Sale	01/25/2013	500
Purchase	02/06/2013	1,800
Purchase	02/06/2013	1,000
Purchase	02/07/2013	600
Sale	02/19/2013	400
Purchase	02/19/2013	1,296

Sale

02/20/2013

4,000

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Purchase	02/26/2013	100
Purchase	02/26/2013	100
Purchase	03/01/2013	1,700
Purchase	03/01/2013	2,000
Purchase	03/01/2013	1,500
Purchase	03/05/2013	5,000
Purchase	03/06/2013	45,148
Purchase	03/06/2013	300
Sale	03/07/2013	500
Purchase	03/07/2013	1,802
Purchase	03/07/2013	3,000
Purchase	03/07/2013	2,000
Purchase	03/08/2013	4,000
Purchase	03/08/2013	3,000
Purchase	03/08/2013	4,000
Purchase	03/08/2013	1,000
Purchase	03/08/2013	5,000
Purchase	03/11/2013	2,000
Purchase	03/11/2013	400
Purchase	03/11/2013	300
Purchase	03/11/2013	300
Purchase	03/12/2013	1,000
Purchase	03/13/2013	4,000
Purchase	03/14/2013	3,050
Sale	03/14/2013	200
Purchase	03/18/2013	200
Purchase	03/18/2013	1,000
Purchase	03/22/2013	5,000
Sale	03/26/2013	2,800
Purchase	03/27/2013	198
Purchase	03/28/2013	2,200
Purchase	04/01/2013	1,300
Purchase	04/01/2013	4,000
Purchase	04/02/2013	4,000
Purchase	04/08/2013	4,000
Purchase	04/08/2013	3,000
Purchase	04/09/2013	6,000
Purchase	04/09/2013	3,000
Purchase	04/16/2013	1,452
Purchase	04/16/2013	4,760
Purchase	04/17/2013	548
Purchase	04/17/2013	4,240
Purchase	04/23/2013	500
Purchase	04/29/2013	5,000
Sale	06/05/2013	200
Purchase	06/10/2013	10,000
Sale	06/17/2013	400
Purchase	06/17/2013	100
Purchase	06/17/2013	100

Purchase

06/18/2013

1,000

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Sale	06/19/2013	400
Purchase	06/19/2013	1,000
Purchase	06/21/2013	2,000
Purchase	06/25/2013	1,300
Purchase	06/26/2013	1,000
Purchase	06/27/2013	3,000
Purchase	06/28/2013	10,000
Purchase	07/01/2013	2,000
Purchase	07/03/2013	3,000
Purchase	07/08/2013	4,000
Purchase	07/08/2013	6,503
Purchase	07/08/2013	4,000
Purchase	07/08/2013	700
Purchase	07/09/2013	3,497
Purchase	07/11/2013	256
Purchase	07/12/2013	2,000
Purchase	07/12/2013	302
Purchase	07/12/2013	400
Purchase	07/12/2013	7,500
Purchase	07/12/2013	7,500
Purchase	07/12/2013	744
Purchase	07/15/2013	5,000
Purchase	07/15/2013	1,000
Purchase	07/16/2013	7,500
Purchase	07/16/2013	7,500
Purchase	07/16/2013	5,000
Purchase	07/18/2013	14,700
Purchase	07/18/2013	8,000
Purchase	07/18/2013	4,000
Purchase	07/23/2013	3,000
Purchase	07/23/2013	5,000
Purchase	07/25/2013	4,000
Purchase	07/25/2013	10,000
Purchase	07/26/2013	3,000
Purchase	07/29/2013	4,000
Purchase	08/01/2013	35,500
Purchase	08/01/2013	35,574
Purchase	08/01/2013	9,000
Purchase	08/01/2013	1,900
Purchase	08/01/2013	1,300
Purchase	08/01/2013	800
Purchase	08/02/2013	500
Purchase	08/02/2013	1,000
Purchase	08/02/2013	2,000
Purchase	08/02/2013	2,000
Purchase	08/02/2013	700
Purchase	08/02/2013	2,000
Purchase	08/02/2013	200
Purchase	08/02/2013	1,091

Purchase

08/02/2013

200

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Purchase	08/02/2013	1,000
Purchase	08/02/2013	2,000
Purchase	08/02/2013	1,926
Purchase	08/02/2013	2,000
Purchase	08/02/2013	2,000
Purchase	08/02/2013	250
Purchase	08/02/2013	250
Purchase	08/05/2013	2,909
Purchase	08/05/2013	1,000
Purchase	08/05/2013	1,000
Purchase	08/05/2013	1,000
Purchase	08/06/2013	1,000
Purchase	08/08/2013	50,000
Purchase	08/08/2013	10,000
Purchase	08/09/2013	2,000
Purchase	08/09/2013	1,000
Purchase	08/14/2013	10,000
Sale	08/14/2013	2,400
Sale	08/14/2013	600
Purchase	08/15/2013	9,582
Purchase	08/15/2013	500
Purchase	08/15/2013	400
Purchase	08/15/2013	100
Purchase	08/16/2013	10,418
Purchase	08/16/2013	1,000
Purchase	08/16/2013	800
Purchase	08/16/2013	500
Purchase	08/19/2013	400
Purchase	08/19/2013	300
Purchase	08/21/2013	500
Purchase	08/21/2013	300
Purchase	08/21/2013	200
Purchase	08/22/2013	10,000
Purchase	08/23/2013	4,000
Purchase	08/27/2013	400
Purchase	08/27/2013	400
Purchase	08/27/2013	200
Purchase	08/28/2013	2,000
Purchase	08/29/2013	500
Purchase	08/29/2013	500
Purchase	08/29/2013	300
Purchase	08/29/2013	200
Purchase	08/30/2013	3,000
Purchase	09/04/2013	6,000
Purchase	09/04/2013	2,000
Purchase	09/04/2013	1,900
Purchase	09/04/2013	1,400
Purchase	09/04/2013	700
Purchase	09/06/2013	2,000

Purchase

09/06/2013

4,000

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Purchase	09/06/2013	1,000
Purchase	09/06/2013	2,000
Purchase	09/06/2013	3,000
Purchase	09/10/2013	500
Purchase	09/10/2013	300
Purchase	09/10/2013	200
Purchase	09/11/2013	4,200
Purchase	09/11/2013	3,200
Purchase	09/11/2013	1,600
Purchase	09/12/2013	3,216
Purchase	09/12/2013	2,000
Purchase	09/13/2013	4,784
Purchase	09/18/2013	1,000
Purchase	09/18/2013	500
Purchase	09/18/2013	3,000
Purchase	09/18/2013	2,400
Purchase	09/18/2013	1,700
Purchase	09/18/2013	900
Purchase	09/23/2013	300
Purchase	09/23/2013	877
Purchase	09/24/2013	2,000
Purchase	09/24/2013	800
Purchase	09/24/2013	800
Purchase	09/24/2013	400
Purchase	09/24/2013	400
Purchase	09/24/2013	800
Purchase	09/24/2013	400
Purchase	09/24/2013	400
Purchase	09/25/2013	300
Purchase	09/26/2013	1,900
Purchase	09/26/2013	1,500
Purchase	09/26/2013	1,000
Purchase	09/26/2013	500
Purchase	09/27/2013	1,000
Purchase	09/27/2013	2,123
Purchase	09/30/2013	4,000
Purchase	09/30/2013	1,000
Purchase	09/30/2013	5,000
Purchase	10/01/2013	2,000
Purchase	10/01/2013	10,000
Purchase	10/01/2013	633
Purchase	10/01/2013	400
Purchase	10/02/2013	5,000
Purchase	10/02/2013	200
Purchase	10/02/2013	867
Purchase	10/02/2013	600
Purchase	10/02/2013	500
Purchase	10/04/2013	3,500
Purchase	10/04/2013	1,000

Purchase

10/07/2013

5,000

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Purchase	10/08/2013	4,000
Purchase	10/08/2013	500
Purchase	10/09/2013	8,000
Purchase	10/09/2013	1,900
Purchase	10/09/2013	1,400
Purchase	10/09/2013	700
Purchase	10/11/2013	6,000
Purchase	10/11/2013	194
Purchase	10/11/2013	400
Purchase	10/14/2013	807
Purchase	10/15/2013	2,700
Purchase	10/15/2013	2,200
Purchase	10/15/2013	1,100
Purchase	10/17/2013	1,500
Purchase	10/17/2013	6,000
Purchase	10/17/2013	5,000
Purchase	10/21/2013	2,000
Purchase	10/21/2013	1,000
Purchase	10/21/2013	2,000
Purchase	10/23/2013	1,000
Purchase	10/23/2013	1,000
Purchase	10/24/2013	1,000
Purchase	10/24/2013	500
Purchase	10/25/2013	800
Purchase	10/25/2013	200
Purchase	10/25/2013	2,400
Purchase	10/28/2013	2,999
Purchase	10/29/2013	1,600
Purchase	10/31/2013	3,000
Purchase	10/31/2013	1,500
Purchase	10/31/2013	1,500
Purchase	11/01/2013	15,000
Purchase	11/01/2013	7,624
Purchase	11/04/2013	2,666
Purchase	11/07/2013	22,334
Purchase	11/07/2013	2,376
Purchase	11/07/2013	3,000
Purchase	11/11/2013	1,000
Purchase	11/12/2013	2,600
Purchase	11/13/2013	500
Sale	11/14/2013	500
Sale	11/14/2013	2,500
Sale	11/15/2013	2,500
Sale	11/18/2013	4,000
Sale	11/18/2013	4,000
Sale	11/18/2013	1,000
Sale	11/19/2013	5,000
Sale	11/21/2013	2,000
Sale	11/21/2013	500

Sale

11/22/2013

500

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Sale	11/22/2013	900
Sale	11/25/2013	2,700
Sale	11/25/2013	1,200
Sale	11/25/2013	1,100
Sale	11/26/2013	1,200
Sale	12/03/2013	500
Sale	12/11/2013	2,000
Sale	12/13/2013	500
Sale	12/13/2013	500
Sale	12/16/2013	250
Sale	12/16/2013	250
Sale	12/18/2013	250
Sale	12/18/2013	250
Sale	12/20/2013	1,000
Sale	12/23/2013	500
Sale	12/23/2013	500
Sale	01/15/2014	4,000
Sale	01/21/2014	500
Purchase	01/30/2014	1,000
Purchase	02/04/2014	1,000
Purchase	02/05/2014	1,000
Purchase	02/05/2014	300
Purchase	02/05/2014	1,000
Purchase	02/05/2014	500
Purchase	02/06/2014	1,600
Purchase	02/06/2014	2,800
Purchase	02/06/2014	600
Purchase	02/10/2014	3,801
Purchase	02/10/2014	2,700
Purchase	02/10/2014	2,000
Purchase	02/11/2014	7,404
Purchase	02/11/2014	3,000
Purchase	02/11/2014	400
Sale	02/18/2014	1,000
Purchase	02/19/2014	200
Purchase	02/19/2014	2,000
Purchase	02/19/2014	1,000
Sale	02/19/2014	10,000
Purchase	02/19/2014	2,000
Purchase	02/20/2014	2,000
Sale	02/20/2014	5,000
Sale	02/21/2014	4,600
Purchase	02/21/2014	1,500
Sale	03/06/2014	600
Sale	03/06/2014	2,000
Sale	03/07/2014	13,000
Sale	03/10/2014	8,000
Sale	03/11/2014	10,000
Sale	03/20/2014	2,000

Sale

03/21/2014

2,000

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## Edgar Filing: NUVEEN FLOATING RATE INCOME FUND - Form 497

Sale	03/24/2014	500
Sale	03/24/2014	6,000
Sale	03/25/2014	2,000
Sale	03/25/2014	4,000
Sale	03/25/2014	2,000
Sale	03/27/2014	6,000
Sale	03/31/2014	2,000
Sale	03/31/2014	250
Sale	03/31/2014	250
Sale	04/01/2014	4,000
Sale	04/01/2014	1,000
Sale	04/01/2014	1,000
Sale	04/02/2014	2,000
Sale	04/03/2014	5,821
Sale	04/04/2014	1,179
Sale	04/08/2014	900
Sale	04/08/2014	700
Sale	04/08/2014	400
Sale	04/08/2014	400
Sale	04/08/2014	800
Sale	04/08/2014	400
Sale	04/08/2014	400
Sale	04/10/2014	4,205
Sale	04/10/2014	200
Sale	04/10/2014	1,100
Sale	04/11/2014	2,000
Sale	04/17/2014	2,000
Sale	04/17/2014	500
Sale	04/21/2014	2,500
Sale	04/22/2014	2,000
Sale	04/23/2014	4,500
Purchase	04/30/2014	200
Purchase	04/30/2014	200
Purchase	04/30/2014	200
Sale	05/06/2014	2,000
Purchase	05/07/2014	2,200
Purchase	05/07/2014	1,000
Purchase	05/07/2014	800
Purchase	05/08/2014	1,500
Purchase	05/08/2014	600
Purchase	05/08/2014	1,000
Purchase	05/08/2014	200
Purchase	05/08/2014	200
Purchase	05/08/2014	200
Purchase	05/12/2014	4,000
Sale	05/13/2014	1,000
Purchase	05/13/2014	4,000
Sale	05/19/2014	3,000
Sale	05/19/2014	2,000

Purchase

05/21/2014

800

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Purchase	05/21/2014	800
Purchase	05/21/2014	800
Purchase	05/23/2014	473
Purchase	06/03/2014	1,152
Purchase	06/04/2014	848
Purchase	06/05/2014	1
Purchase	06/05/2014	800
Purchase	06/09/2014	1,500
Purchase	06/09/2014	500
Purchase	06/09/2014	500
Purchase	06/09/2014	2,200
Purchase	06/10/2014	5,000
Purchase	06/11/2014	4,000
Sale	06/19/2014	2,000
Sale	06/20/2014	2,000
Sale	06/20/2014	2,000
Purchase	06/26/2014	400
Purchase	06/26/2014	800

## WALTER M. SCHENKER

Purchase	04/01/2013	10,000
Sale	08/16/2013	4,000
Sale	09/12/2013	4,000
Sale	09/13/2013	500
Sale	10/30/2013	400

## SCHEDULE II

The following table is reprinted from the Company's Revised Preliminary Proxy Statement filed with the Securities and Exchange Commission on June 23, 2014.

The following table sets forth certain information with respect to beneficial ownership of Superior common stock as of June 17, 2014, for (i) the named executive officers (ii) each director and director nominee, (iii) all directors and executive officers as a group, and (iv) all persons known to Superior to beneficially own 5% or more of Superior common stock:

Name and Address (1) of Beneficial Owner	Shares Beneficially Owned (1)	Percentage of Total Voting Power (1)(2)
Steven J. Borick (3)(4) 2707 Kipling Street Houston, TX 77098	4,666,585	17.19%
GAMCO Investors, Inc. (5) One Corporate Center Rye, NY 10580	3,630,484	13.37%
The Louis L. Borick Foundation (3)	2,954,146	10.88%
Dimensional Fund Advisors LP (6) Palisades West, Building One Austin, TX 78746	2,299,249	8.47%
BlackRock, Inc. (7) 40 East 52nd Street New York, NY 10022	2,133,618	7.86%
The Vanguard Group, Inc. (8) 100 Vanguard Blvd. Malvern, PA 19355	1,451,922	5.35%
Donald J. Stebbins	144,955 (10)	*
Michael J. O'Rourke	172,130 (9)(10)	*
Parveen Kakar	78,288 (9)(10)	*
Kerry A. Shiba	52,414 (9)(10)	*
Philip W. Colburn	38,930 (9)(10)	*
Margaret S. Dano	33,500 (9)(10)	*
Francisco S. Uranga	30,000 (9)(10)	*
Michael D. Nelson	21,033 (9)(10)	*
Sheldon I. Ausman	18,000 (9)(10)	*
Timothy C. McQuay	9,000 (9)(10)	*
James S. McElya	5,000 (10)	*
Superior's Directors and Executive Officers as a Group (18 persons)	923,686 (10)(11)	3.32%

\* Less than 1%.

(1)

All persons have the Company's principal office as their address, except as otherwise indicated. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons listed have sole voting and investment power with respect to all shares of Superior's common stock beneficially owned by them.

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- (2) The percentage of shares beneficially owned is based on 27,152,684 shares of common stock outstanding as of June 17, 2014. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days after June 26, 2014 are deemed to be outstanding and beneficially owned by the person holding such options for the purpose of computing the number of shares beneficially owned and the percentage ownership of such person, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.
- (3) The information with respect to the share ownership of Steven J. Borick and The Louis L. Borick Foundation (the "Foundation"), of which Mr. Borick is the President, is based solely on the Schedule 13D/A, Amendment No. 2 filed on May 20, 2014. The amount held by the Foundation is also included in the amount beneficially owned by Mr. Borick. The Foundation and Mr. Borick share voting and dispositive power over the shares; however, Mr. Borick disclaims beneficial ownership. The Foundation shares the same address as Mr. Borick.
- (4) Also includes 168,046 shares and stock options exercisable for 1,135,240 shares over which Mr. Borick has sole voting and dispositive power, 62,200 shares over which he may have shared voting and dispositive power, and 346,953 shares over which he has sole voting and dispositive power but disclaims beneficial ownership.
- (5) The information with respect to the holdings of GAMCO Investors, Inc. ("GBL"), a registered investment advisor, is based solely on the Schedule 13D Amendment No. 15 filed January 13, 2014 by GBL, GGCP, Inc. ("GGCP"), Mario J. Gabelli ("Gabelli"), Teton Advisors, Inc. ("Teton"), GAMCO Asset Management Inc. ("GAMCO"), and Gabelli Funds, LLC ("Gabelli Funds"). Subject to certain restrictions, Gabelli Funds holds 689,000 shares and has sole voting and dispositive power with respect to such shares. GAMCO holds 2,343,498 shares and has sole dispositive power with respect to such shares, sole voting power with respect to 2,148,498 shares, and no voting power with respect to 195,000 shares. Teton holds 597,986 shares and has sole voting and dispositive power with respect to such shares. GGCP and Gabelli do not directly hold or have voting or dispositive power over any shares. GGCP and Gabelli are the members of CCGP Holdings and GGCP is its manager. GGCP Holdings is the controlling shareholder of GBL. Each of Gabelli Funds and GAMCO is wholly-owned subsidiary of GBL. Gabelli is also (i) the controlling stockholder, chief executive officer, chief investment officer and a director of GGCP, (ii) chairman and executive officer of GBL, (iii) chief investment officers of Gabelli Funds, and (iv) controlling shareholder of Teton.
- (6) The information with respect to the holdings of Dimensional Fund Advisors LP ("Dimensional Fund"), a registered investment advisor, is based solely on the Schedule 13G/A filed February 10, 2014 by Dimensional Fund. Dimensional Fund serves as investment advisor to four registered investment companies and as investment manager to certain other commingled group trusts and separate accounts (collectively, the "Funds"), which own all shares. Dimensional Fund has sole voting power with respect to 2,246,211 shares owned by the Funds and sole dispositive power with respect to all 2,299,249 shares owned by the Funds.
- (7) The information with respect to the holdings of BlackRock, Inc. ("BlackRock"), a registered investment advisor, is based solely on the Schedule 13G/A filed January 30, 2014 by BlackRock. By virtue of being the parent holding company of the holders of such shares, BlackRock has sole voting power with respect to 2,054,696 shares and sole dispositive power with respect to all 2,133,618 shares.

- (8) The information with respect to the holdings of The Vanguard Group, Inc. (“VG”), a registered investment advisor, is based on the Schedule 13G/A filed February 12, 2014 by Vanguard Group. The aggregate amount beneficially owned by Vanguard is 1,451,922. Of such shares, Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of VG, is the beneficial owner of 38,216 shares by virtue of its serving as investment manager of certain collective trust accounts, and Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of VG, is the beneficial owner of 1,200 shares by virtue of its serving as investment manager of Australian investment offerings. VG has sole voting power with respect to 39,416 shares, sole dispositive power with respect to 1,413,706 shares, and shared dispositive power with respect to 38,216 shares.
- (9) Includes stock options in the amount of 157,000 for Mr. O’Rourke, 66,500 for Mr. Kakar, 38,750 for Mr. Shiba, 28,000 for Mr. Colburn, 20,000 for Ms. Dano, 20,000 for Mr. Uranga, 17,333 for Mr. Nelson and 8,000 for Mr. Ausman that are currently or will become exercisable within 60 days of June 26, 2014.
- (10) Includes 132,455 shares of restricted stock subject to vesting for Mr. Stebbins, 10,167 shares of restricted stock subject to vesting for Mr. O’Rourke, 10,000 shares of restricted stock subject to vesting for Mr. Shiba, 8,000 shares of restricted stock subject to vesting for Ms. Dano, 8,000 shares of restricted stock subject to vesting for Mr. Ausman, 8,000 shares of restricted stock subject to vesting for Mr. Colburn, 8,000 shares of restricted stock subject to vesting for Mr. Uranga, 7,667 shares of restricted stock subject to vesting for Mr. McQuay, 7,000 shares of restricted stock subject to vesting for Mr. Kakar, 2,994 shares of restricted stock subject to vesting for Mr. Nelson and 5,000 shares of restricted stock subject to vesting for Mr. McElya.
- (11) Includes 639,283 shares of which the directors and executive officers have the right to acquire beneficial ownership within 60 days from June 26, 2014 through the exercise of previously granted stock options. Other than as disclosed with respect to each individual director or officer, each of the directors and officers has sole investment and voting power over his or her shares.

IMPORTANT

Tell your Board what you think! Your vote is important. No matter how many shares of Common Stock you own, please give GAMCO your proxy FOR the election of the Nominees by taking three steps:

- SIGNING the enclosed BLUE proxy card,
- DATING the enclosed BLUE proxy card, and
- MAILING the enclosed BLUE proxy card TODAY in the envelope provided (no postage is required if mailed in the United States).

If any of your shares of Common Stock are held in the name of a brokerage firm, bank, bank nominee or other institution, only it can vote such shares of Common Stock and only upon receipt of your specific instructions. Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet. Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed BLUE voting form.

If you have any questions or require any additional information concerning this Proxy Statement, please contact our proxy solicitor, Morrow & Co., LLC, at its address below.

MORROW & CO., LLC  
470 West Avenue  
Stamford, CT 06902  
(800)-573-4370

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PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED JUNE 27, 2014

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

2014 ANNUAL MEETING OF SHAREHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF GAMCO ASSET MANAGEMENT INC.

THE BOARD OF DIRECTORS OF SUPERIOR INDUSTRIES INTERNATIONAL, INC.  
IS NOT SOLICITING THIS PROXY

P R O X Y

The undersigned appoints George Maldonado, as attorney and agent with full power of substitution to vote all shares of Common Stock of Superior Industries International, Inc. (the "Company") which the undersigned would be entitled to vote if personally present at the 2014 Annual Meeting of Shareholders of the Company scheduled to be held at the Airtel Plaza Hotel located at 7277 Valjean Avenue, Van Nuys, California 91406 on Friday, August 15, 2014 at 10:00 a.m. Pacific Time (including any adjournments or postponements thereof and any meeting called in lieu thereof, the "Annual Meeting").

The undersigned hereby revokes any other proxy or proxies heretofore given to vote or act with respect to the shares of Common Stock of the Company held by the undersigned, and hereby ratifies and confirms all action the herein named attorneys and proxies, their substitutes, or any of them may lawfully take by virtue hereof. If properly executed, this Proxy will be voted as directed on the reverse and in the discretion of the herein named attorneys and proxies or their substitutes with respect to any other matters as may properly come before the Annual Meeting that are unknown to GAMCO Asset Management Inc. ("GAMCO") a reasonable time before this solicitation.

IF NO DIRECTION IS INDICATED WITH RESPECT TO THE PROPOSALS ON THE REVERSE, THIS PROXY WILL BE VOTED "FOR" PROPOSAL 1, "ABSTAIN" ON PROPOSAL 2, AND "FOR" PROPOSAL 3.

This Proxy will be valid until the completion of the Annual Meeting. This Proxy will only be valid in connection with GAMCO's solicitation of proxies for the Annual Meeting.

IMPORTANT: PLEASE SIGN, DATE AND MAIL THIS PROXY CARD PROMPTLY!

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

BLUE PROXY CARD

[X] Please mark vote as in this example

GAMCO STRONGLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOR OF THE NOMINEES LISTED BELOW IN PROPOSALS 1. GAMCO RECOMMENDS A VOTE TO ABSTAIN ON PROPOSAL 2, AND FOR PROPOSAL 3.

1. GAMCO’s proposal to elect Philip T. Blazek, Ryan J. Morris and Walter M. Schenker to serve as directors of the Company until the next annual meeting of shareholders.

	FOR ALL NOMINEES	WITHHOLD AUTHORITY TO VOTE FOR ALL NOMINEES	FOR ALL EXCEPT NOMINEE(S) WRITTEN BELOW
Nominees: Philip T. Blazek	o	o	o
Ryan J. Morris			
Walter M. Schenker			
			_____ _____

GAMCO does not expect that any of the Nominees will be unable to stand for election, but, in the event that any Nominee is unable to serve or for good cause will not serve, the shares of Common Stock represented by this proxy card will be voted for substitute nominee(s), to the extent this is not prohibited under the Bylaws and applicable law. In addition, GAMCO has reserved the right to nominate substitute person(s) if the Company makes or announces any changes to its Bylaws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying any Nominee, to the extent this is not prohibited under the Bylaws and applicable law. In any such case, shares of Common Stock represented by this proxy card will be voted for such substitute nominee(s).

There is no assurance that any of the candidates who have been nominated by the Company will serve as directors if any of our Nominees are elected.

BLUE PROXY CARD

2. Company's proposal to approve executive compensation on an advisory basis.

FOR

AGAINST

ABSTAIN

3. Company's proposal to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 28, 2014.

FOR

AGAINST

ABSTAIN

DATED: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature, if held jointly)

\_\_\_\_\_  
(Title)

WHEN SHARES ARE HELD JOINTLY, JOINT OWNERS SHOULD EACH SIGN. EXECUTORS, ADMINISTRATORS, TRUSTEES, ETC., SHOULD INDICATE THE CAPACITY IN WHICH SIGNING. PLEASE SIGN EXACTLY AS NAME APPEARS ON THIS PROXY.