

Nuveen Preferred Income Opportunities Fund  
Form N-CSR  
October 06, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-21293  
Nuveen Preferred Income Opportunities Fund

(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

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Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: July 31

Date of reporting period: July 31, 2016

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

**Closed-End Funds**

Nuveen  
**Closed-End Funds**

**Annual Report** July 31, 2016

**JPC**  
Nuveen Preferred Income Opportunities Fund

**JPI**  
Nuveen Preferred and Income Term Fund

**JPS**  
Nuveen Preferred Securities Income Fund  
(formerly known as Nuveen Quality Preferred Income  
Fund 2)

**JPW**  
Nuveen Flexible Investment Income Fund

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**Chairman's Letter**

**to Shareholders**

**Dear Shareholders,**

The U.S. economy is now seven years into the recovery, but its pace remains stubbornly subpar compared to past recoveries. Economic data continues to be a mixed bag, as it has been throughout this expansion period. While the unemployment rate fell below its pre-recession level and wages have grown, a surprisingly weak jobs growth report in May cast doubt over the future strength of the labor market. Subsequent employment reports have been stronger, however, easing fears that a significant downtrend was emerging. The housing market has improved markedly but its contribution to the recovery has been lackluster. Deflationary pressures, including weaker commodity prices, have kept inflation much lower for longer than many expected.

The U.S.'s modest expansion and positive employment trends led the U.S. Federal Reserve (Fed) to begin its path toward policy normalization by raising its benchmark interest rate at its December 2015 meeting. However, since then, the Fed has remained on hold for reasons ranging from domestic to international, which helped continue to prop up asset prices despite bouts of short-term volatility.

Outside the U.S., optimism has been harder to come by. Investors continue to question whether China's economy is finally stabilizing or still slowing. The U.K.'s June 23<sup>rd</sup> Brexit vote to leave the European Union introduced a new set of economic and political uncertainties to the already fragile conditions across Europe. Moreover, there are growing concerns that global central banks' unprecedented efforts to revive growth may be showing signs of fatigue. Interest rates are currently negative in Europe and Japan and near or at zero in the U.S., U.K. and elsewhere. Yet, growth has remained subdued.

With global economic growth still looking fairly fragile, and few near-term catalysts for improvement, we anticipate that turbulence remains on the horizon for the time being. In this environment, Nuveen remains committed to both managing downside risks and seeking upside potential. If you're concerned about how resilient your investment portfolio might be, we encourage you to talk to your financial advisor.

On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

William J. Schneider

Chairman of the Board

September 23, 2016

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## Portfolio Managers

### Comments

Nuveen Preferred Income Opportunities Fund (JPC)

Nuveen Preferred and Income Term Fund (JPI)

Nuveen Preferred Securities Income Fund (JPS) (formerly known as Nuveen Quality Preferred Income Fund 2)

Nuveen Flexible Investment Income Fund (JPW)

*Nuveen Asset Management, LLC (NAM) and NWQ Investment Management Company, LLC (NWQ), both affiliates of Nuveen Investments, Inc., are sub-advisers for the Nuveen Preferred Income Opportunities Fund (JPC). NAM and NWQ each manage approximately half of the Fund's investment portfolio. Douglas Baker, CFA and Brenda Langenfeld, CFA, are the portfolio managers for the NAM team. The NWQ income-oriented investment team is led by Thomas J. Ray, CFA and Susi Budiman, CFA. The Nuveen Preferred and Income Term Fund (JPI) features management by Nuveen Asset Management, LLC (NAM), an affiliate of Nuveen Investments, Inc. Douglas Baker, CFA, and Brenda Langenfeld, CFA, have served as the Fund's portfolio managers since its inception. The Nuveen Preferred Securities Income Fund (JPS) is sub-advised by a team of specialists at Spectrum Asset Management, a wholly owned subsidiary of Principal Global Investors, LLC. Mark Lieb and Phil Jacoby lead the team. The Nuveen Flexible Investment Income Fund (JPW) features portfolio management by NWQ Investment Management Company, LLC (NWQ), an affiliate of Nuveen Investments, Inc. Thomas J. Ray, CFA, and Susi Budiman, CFA, are the portfolio managers.*

*Effective January 31, 2016, the primary and secondary benchmarks for JPI changed in order to better represent the current investible universe of preferred securities. The BofA/Merrill Lynch U.S. All Capital Securities Index is the new Primary Benchmark. The secondary blended benchmark now consists of 60% BofA/Merrill Lynch U.S. All Capital Securities Index and 40% BofA/Merrill Lynch Contingent Capital Index. This secondary blended benchmark better aligns the portfolios with the investible universe of preferreds and hybrids by adding the contingent capital index to the performance benchmark. The secondary blended benchmark also better reflects the portfolios' positioning with regard to \$25 par securities and \$1,000 par securities, as well as from a credit quality and duration perspective. The BofA/Merrill Lynch Contingent Capital Index has a recent inception date of December 31, 2013.*

*Additionally, JPI and JPC each has revised its investment policies to eliminate the previous 40% of assets limit on non-U.S. issuers in order to allow for increased investments in U.S. dollar-denominated contingent capital securities (CoCos).*

*Effective June 15, 2016, JPC changed its investment policies to remove CoCos from the 20% Other Securities investment strategies category and include them in the 80% principal investment strategies category.*

**Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report.**

**Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.**

**For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings, while BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.**

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

**Portfolio Managers Comments** (continued)

*During October, 2015, the Board of Trustees for the Nuveen closed-end funds approved a plan to merge Nuveen Quality Preferred Income Fund (JTP) and Nuveen Quality Preferred Income Fund 3 (JHP) into the acquiring Fund, Nuveen Quality Preferred Income Fund 2 (JPS). During March 2016, shareholder approval was completed. The reorganization became effective on May 9, 2016, at which time the Nuveen Quality Preferred Income Fund 2 was renamed the Nuveen Preferred Securities Income Fund (keeping its ticker symbol of JPS). See Notes to Financial Statements, Notes 1 General Information and Significant Accounting Policies, Fund Reorganizations for further information.*

*Additionally, in October 2015, the Board approved changes to both JPS' s non-fundamental investment policies related to the minimum allocation to investment grade securities and the Fund' s secondary blended benchmark index. These changes were made to better align JPS' s strategies with the evolution in the preferred securities market since the Fund' s launch in 2002. JPS' s minimum allocation to investment grade securities was reduced from 80% to 65% and the existing 45% limit on U.S. dollar-denominated preferred securities of non-U.S. issuers was eliminated. JPS' s blended benchmark index consisted of 55% BofA/Merrill Lynch Preferred Securities Fixed Rate Index and 45% Barclays Tier 1 Capital Securities Index. Its new blended benchmark index consists of 60% BofA/Merrill Lynch All Capital Securities Index and 40% BofA/Merrill Lynch Contingent Capital Index.*

*Here the portfolio management teams discuss the U.S. economy and market conditions, their management strategies and the performance of the Funds for the twelve-month reporting period ended July 31, 2016.*

**What factors affected the U.S. economy and financial markets during the twelve-month reporting period ended July 31, 2016?**

Over the twelve-month reporting period, U.S. economic data continued to point to subdued growth, rising employment and tame inflation. Economic activity has continued to hover around a 2% annualized growth rate since the end of the Great Recession in 2009, as measured by real gross domestic product (GDP), which is the value of the goods and services produced by the nation' s economy less the value of the goods and services used up in production, adjusted for price changes. For the second quarter of 2016, real GDP increased at an annual rate of 1.1%, as reported by the second estimate of the Bureau of Economic Analysis, up from 0.8% in the first quarter of 2016.

The labor and housing markets improved over the reporting period, although the momentum appeared to slow toward the end of the reporting period. As reported by the Bureau of Labor Statistics, the unemployment rate fell to 4.9% in July 2016 from 5.3% in July 2015, and job gains averaged slightly above 200,000 per month for the past twelve months. The S&P CoreLogic Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 5.1% annual gain in June 2016 (most recent data available at the time this report was prepared) (effective July 26, 2016, the S&P/Case-Shiller U.S. National Home Price Index was renamed the S&P CoreLogic Case-Shiller U.S. National Home Price Index). The 10-City and 20-City Composites reported year-over-year increases of 4.3% and 5.1%, respectively.

Consumers, whose purchases comprise the largest component of the U.S. economy, benefited from employment growth and firming wages over the twelve-month reporting period. Although consumer spending gains were rather muted in the latter half of 2015, a spending surge in the second quarter of 2016 helped offset weaker business investment. A backdrop of low inflation also contributed to consumers' willingness to buy. The Consumer Price Index (CPI) rose 0.8% over the twelve-month reporting period ended July 2016 on a seasonally adjusted basis, as reported by the U.S. Bureau of Labor Statistics. The core CPI (which excludes food and energy) increased 2.2% during the same period, slightly above the Fed' s unofficial longer term inflation objective of 2.0%.

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Business investment remained weak over the reporting period. Corporate earnings growth slowed during 2015, reflecting an array of factors ranging from weakening demand amid sluggish U.S. and global growth to the impact of falling commodity prices and a strong U.S. dollar. Although energy prices rebounded off their lows and the dollar pared some of its gains in the first half of 2016, caution prevailed. Financial market turbulence in early 2016 and political uncertainties surrounding the U.K.'s Brexit vote to leave the European Union (EU) and the upcoming U.S. presidential election dampened capital spending.

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With the current expansion considered to be on solid footing, the U.S. Federal Reserve (Fed) prepared to raise one of its main interest rates, which had been held near zero since December 2008 to help stimulate the economy. After delaying the rate change for most of 2015 because of a weak global economic growth outlook, the Fed announced in December 2015 that it would raise the fed funds target rate by 0.25%. The news was widely expected and therefore had a relatively muted impact on the financial markets.

Although the Fed continued to emphasize future rate increases would be gradual, investors worried about the pace. This, along with uncertainties about the global macroeconomic backdrop, another downdraft in oil prices and a spike in stock market volatility triggered significant losses across assets that carry more risk and fueled demand for safe haven assets such as Treasury bonds and gold from January through mid-February, however, fear began to subside in March. The Fed held the rate steady at both the January and March policy meetings, as well as lowered its expectations to two rate increases in 2016 from four. Also boosting investor confidence were reassuring statements from the European Central Bank (ECB), some positive economic data in the U.S. and abroad, a retreat in the U.S. dollar and an oil price rally. At its April meeting, the Fed indicated its readiness to raise its benchmark rate at the next policy meeting in June. However, a very disappointing jobs growth report in May and the significant uncertainty surrounding the U.K.'s Brexit vote led the Fed to again hold rates steady at its June and July meetings.

The U.K.'s vote on June 23, 2016 to leave the EU caught investors off guard. In response, U.K. sterling fell precipitously, global equities were turbulent and safe-haven assets such as gold, the U.S. dollar and U.S. Treasuries saw notable inflows. However, the markets stabilized fairly quickly, buoyed by reassurances from global central banks and a perception that the temporary price rout presented an attractive buying opportunity. Although many political and economic uncertainties for the U.K. and the EU remain, market volatility was relatively subdued throughout July, as concerns of a Brexit-induced financial crisis abated.

Earlier in the reporting period, macroeconomic uncertainty driven by the economic trouble in emerging economies, falling commodity prices, along with uncertainty around the Fed's hiking cycle all contributed to the significant volatility to both equity and credit markets. By the end of the reporting period however, riskier assets did recover. Common equity and high yield bonds generated total return of 5.38% as measured by the Russell 1000® Value Index and 4.92% for the BofA/Merrill Lynch U.S. High Yield Index. Investment grade corporate bonds did better with a 9.39% return as measured by the BofA/Merrill Lynch U.S. Corporate Index. The best performing asset class was undoubtedly the preferred market, with a 10.51% return as measured by the BofA/Merrill Lynch Preferred Securities Fixed Rate Index. The \$1,000 par dominated BofA/Merrill Lynch U.S. All Capital Securities Index posted a 5.1% return during the reporting period and the \$25 par dominated BofA/Merrill Lynch Core Plus Fixed Rate Preferred Securities Index posted a 10.5% return.

**What key strategies were used to manage the Funds during this twelve-month reporting period ended July 31, 2016 and how did these strategies influence performance?**

**Nuveen Preferred Income Opportunities Fund (JPC)**

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year, five-year and ten-year periods ended July 31, 2016. For the twelve-month reporting period ended July 31, 2016 the Fund's common shares at net asset value (NAV) outperformed the JPC Blended Index, but underperformed the BofA/Merrill Lynch Preferred Securities Fixed Rate Index.

JPC invests at least 80% of its managed assets in preferred securities and up to 20% opportunistically over the market cycle in other types of securities, primarily income oriented securities such as corporate and taxable municipal debt and common equity. The Fund is managed by two experienced portfolio teams with distinctive, complementary

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approaches to the preferred market. NAM employs a debt-oriented approach that combines top down relative value analysis of industry sectors with fundamental credit analysis. NWQ's investment process identifies undervalued securities within a company's capital structure that offer the most attractive risk/reward potential. This multi-team approach gives investors access to a broader investment universe with greater diversification potential.

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**Portfolio Managers Comments** (continued)

**Nuveen Asset Management**

For the portion of the Fund managed by NAM, the Fund seeks to achieve its investment objective of providing a high level of current income and total return by investing in preferred securities and other income producing securities. The Fund's portfolio is actively managed seeking to capitalize on strong and continuously improving credit fundamentals across our issuer base, coupled with arguably wide credit spreads (the difference between current yields on preferred securities and U.S. Treasury Bonds and other fixed income benchmarks) for the preferred security asset class. The Fund's strategy focuses opportunistically on highly regulated industries, like utilities, banks and insurance companies, with a current emphasis broadly on financial services companies.

We employ a credit-based investment approach, using a top-down process to position the portfolio in a manner that reflects the investment team's overall macro-economic outlook, while also incorporating a bottom-up approach that focuses on fundamental credit research, security structure selection, and option adjusted spread (OAS) analysis. The process begins with identifying the investable universe of \$1,000 par and \$25 par preferred securities. In an effort to capitalize on the inefficiencies between different investor bases within the preferred securities market, we tactically and strategically shift capital between the \$25 par exchange listed market and the \$1,000 par over-the-counter market. Periods of volatility may drive notably different valuations between these two markets, as will periods where valuations trend in one direction or another for an extended period of time. This dynamic is often related to differences in how retail and institutional markets perceive and price risk, as well as differences in retail and institutional investors' ability to source substitute investments. Technical factors such as new issue supply may also influence the relative valuations between \$25 par exchange listed structures and \$1,000 par over-the-counter structures.

We continually monitor developments across the domestic and international financial markets, but we do not anticipate materially changing the Fund's relative positioning strategy in the near future. We feel that valuations on the \$25 par retail side of the market have run rich versus the \$1,000 par institutional side of the market. We will likely maintain an overweight to \$1,000 par securities as a result of this relative value opportunity, and because of our desire to position defensively against rising interest rates. Indeed, we have been concerned about the potential impact of rising rates on preferred security valuations for several quarters now. Callable fixed rate coupon securities, like many preferred securities, contain an additional risk, also known as duration extension risk, which is not applicable to non-callable fixed income structures. Duration on callable fixed rate coupon securities tends to extend during periods of rising interest rates, exactly the time when investors benefit least from higher duration. Luckily, there are coupon structures within the preferred securities market, like floating rate coupons and fixed-to-variable rate coupons that do not expose investors to the aforementioned duration extension risk. Given our concern regarding the potential impact of rising interest rates on preferred security valuations, we favor fixed-to-variable rate coupon structures which, all else equal, provide a lower duration profile on day one, and almost no duration extension risk versus traditional fixed rate coupon structures. One final note, fixed-to-variable rate securities are more common on the \$1,000 par side of the market, and thus another reason in addition to relative value considerations for our current, and foreseeable, overweight to \$1,000 par securities relative to the JPC Blended Index.

As mentioned in previous reports, the population of "new generation" preferred securities, such as contingent capital securities (otherwise known as CoCos), have indeed become an increasingly meaningful presence within the preferred/hybrid security marketplace. We estimate the total CoCo universe today to be just over \$400 billion in size, with total capacity over the next few years eventually totaling between \$500 billion and \$600 billion based upon the current size of international banks' balance sheets. As a reminder, international bank capital standards outlined in Basel III require new Additional Tier 1 (AT1)-qualifying and Tier 2-qualifying securities to contain explicit loss absorbing

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features upon the breach of certain predetermined capital thresholds. These loss-absorbing features come in one of three structures, including equity conversion, permanent write-down of principle or temporary write-down of principle with the possibility of future write-up when/if the issuer is able to replenish capital levels back above the threshold trigger level. We have allocated modestly to this new universe of securities. In our opinion, we have focused on those issuers that have

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meaningful capital cushions above regulatory minimum capital levels. Focusing exposure on these better capitalized issuers helps minimize to a great extent the likelihood of a conversion event, or a skipped coupon payment. In addition to the seeking out those issuers with the larger capital cushions, we also favor those issuers that have, or have nearly, issued their full regulatory amount of AT1 securities, to reduce the impact that future new issue supply might have on secondary valuations.

With respect to the Fund's allocation to lower investment grade and below investment grade securities, we continue to believe that these segments will, over the long term, provide a more compelling risk-adjusted return profile than higher rated preferred/hybrid securities. Lower rated securities are often overlooked by retail and institutional investors, and especially by investors with investment grade-only mandates. Until recently, below investment grade preferred securities typically were not index eligible, limiting the potential investor base and frequently creating opportunities for the Fund within this particular segment of the asset class. While lower rated preferred securities may exhibit periods of higher price volatility, we believe the return potential is disproportionately higher due to inefficiencies inherent in the segment. In addition, this lower rated segment of the asset class tends to exhibit lower interest rate sensitivity than higher rated security structures. As a result, this allocation also helps to express our desire to be positioned defensively against rising interest rates. Also, please note that preferred/hybrid securities are typically rated several notches below an issuer's senior unsecured debt rating. Consequently, in most instances, a BB rated preferred/hybrid security has been issued by an entity with an investment grade senior unsecured credit rating of BBB or higher. From a fundamental perspective, we do not believe that below investment grade rated preferred securities exposes our investors to the same risks found in other below investment grade categories like traditional high yield bonds or senior loans.

There is another interesting note to consider regarding recent ratings trends across the preferred/hybrid market. Over the past few years, the rating agencies have revised their methodologies for preferred securities which have resulted in a broad drift lower in average ratings for the asset class. This is primarily driven by the fact that the rating agencies no longer place a high likelihood of government support for the preferred security investor during times of crisis. In our opinion, these same rating agencies have yet to fully recognize the tremendous improvement in bank balance sheets post financial crisis, nor have they acknowledged the lower risk profile of the bank business model under the monumental amount of new regulatory oversight. At some point, we do expect rating agencies to take these factors into consideration and eventually to rate bank-issued preferred securities higher than what we observe today.

As with any fixed income asset class, preferred securities are not immune from the impact of rising interest rates. We seek to minimize the impact of higher rates on the market value of the Fund's portfolio by establishing a position in less interest rate sensitive securities, like fixed-to-variable rate and variable rate coupon structures. We also feel that rising interest rates are frequently the result of an improving macro-economic landscape and one where the current domestic economic recovery has likely gained meaningful traction. In this type of environment, risk premiums should shrink, reflecting the lower risk profile of the overall market. As a result, credit spreads should also narrow. We believe that credit spread compression in the preferred security asset class could help mitigate the negative impact of rising interest rates.

While our allocation to \$1,000 par preferred securities was about equal to the JPC Blended Index as of July 31, 2016, on average during the reporting period the Fund was overweight these structures. Versus the previous JPC Blended Index, the benchmark for performance through January 31, 2016, we maintained a meaningful overweight to \$1,000 par securities. The new JPC Blended Index had a larger allocation to \$1,000 par securities and as of July 31, 2016, both the JPC sleeve managed by NAM and the new JPC Blended Index had a 68% allocation to that side of the market. The Fund's overweight to \$1,000 par structures detracted from relative performance. In this prolonged low interest rate environment, retail investors' demand for income producing securities has grown dramatically. With the single-minded focus on income, retail investors continued to drive valuations on the \$25 par side of the market to

increasingly higher levels. Looking at the two sides of the market another way, valuations have run so high on the \$25 par side of the market that there is now a large population of these securities trading at a negative yield-to-worst. Given that valuations between the two sides of the market have divided so dramatically, we do expect valuations to normalize in the near future.

**Portfolio Managers Comments** (continued)

Our overweight in the \$1,000 par side of the market was also heavily concentrated in fixed-to-variable rate coupon structures, which, all else being equal, have lower interest rate sensitivity and lower duration extension risk compared to preferred/hybrid securities with standard fixed rate coupons. Given our outlook for gradually rising interest rates, the fixed-to-variable rate structures were better aligned with our strategy versus traditional fixed rate coupon securities. However, as of July 31, 2016 the Fund had 0.6 year longer effective duration versus the new JPC Blended Index. Despite having roughly 10% more fixed-to-variable rate exposure versus the new Blended Index at the end of the reporting period, the allocation within the JPC sleeve managed by NAM compared to the new Blended Index indeed had more exposure to non-call 10-year structures versus non-call 5-year structures, the former having inherently more duration than the latter. Given that interest rates actually decreased during the reporting period, relative performance of the JPC sleeve managed by NAM benefitted at the margin from the slightly longer duration profile. In addition, the non-call 10-year structures have greater key rate duration exposure further out the curve versus non-call 5-year structures. As a result, the flattening of the slope between 5-year U.S. Treasuries and 10-year U.S. Treasuries during the reporting period also contributed to relative outperformance versus the new JPC Blended Index. Unfortunately, the relative performance between \$1,000 par and \$25 par was a much greater factor on relative performance and resulted in the JPC sleeve managed by NAM slightly underperforming its new Blended Index.

Finally, while the JPC sleeve managed by NAM was underweight to CoCos versus the new JPC Blended Index, the Fund was actually overweight CoCo securities during the first six months of the reporting period when compared to the old JPC Blended Index. The old JPC Blended Index had no exposure to CoCos, while the Fund had an approximate 15% allocation to that segment of the market during the reporting period. Unfortunately, during the first half of the reporting period, the CoCo market was affected by several negative headlines resulting in the BofA/Merrill Lynch Contingent Capital Index posting a -1.6% total return for the six-month reporting period starting July 31, 2015 and ending January 31, 2016. During the second half of the reporting period, and with the onset of the new JPC Blended Index with its 40% allocation to CoCos, the Fund naturally transitioned from being overweight to underweight CoCos on a relative basis. While being overweight CoCo securities during the first half of the reporting period detracted from performance, the relative underweight to CoCos during the second half of the reporting period benefitted relative performance. For the twelve-month reporting period, the relative impact from the initial underweight and latter overweight to CoCos ended-up being inconsequential to performance.

**NWQ Investment Management Company**

For the portion of the Fund managed by NWQ, we seek to achieve high income and a measure of capital appreciation. While the Fund's investments are primarily preferred securities, a portion of the Fund allows the flexibility to invest across the capital structure in any type of debt, preferred or equity securities offered by a particular company. The portfolio management team then evaluates all available investment choices within a selected company's capital structure to determine the portfolio investment that may offer the most favorable risk-adjusted return potential. The Fund's portfolio is constructed with an emphasis on seeking a sustainable level of income and an overall analysis for downside risk management.

Earlier in the reporting period, macroeconomic uncertainty driven by the economic trouble in emerging economies, falling commodity prices, along with uncertainty around the Fed's hiking cycle all contributed to the significant volatility to both equity and credit markets. By the end of the reporting period however, riskier assets did recover. Common equity and high yield bonds generated total return of 5.38% as measured by the Russell 1000® Value Index and 4.92% for the BofA/Merrill Lynch U.S. High Yield Index. Investment grade corporate bonds did better with a 9.39% return as measured by the BofA/Merrill Lynch U.S. Corporate Index. Best performing asset class was undoubtedly the preferred market, with a 10.51% return as measured by the BofA/Merrill Lynch Preferred Securities

Fixed Rate Index.

Through security selection, we reduced our exposure to common stocks and increased our exposure to investment grade bonds as many stocks have reached our target prices while we saw more attractive opportunities in bonds issued by high quality companies. This move has helped us protect some downside risks when as we went through several

periods of intense volatility during the reporting period. The Fund's average credit quality stayed the same, with an overweight in the BBB-BB rated part of the credit spectrum. We increased duration as we invested in longer maturity investment grade bonds, which also helped us as rates declined during the reporting period.

During the reporting period, our preferred, investment grade bonds, equity and high yield holdings contributed to performance. Several sectors contributed to the Fund's performance, in particular our holdings in the industrial sector. However, our banking sector holdings detracted from performance.

Several of our holdings performed well during the reporting period, including National Storage Affiliates Trust (NSA) common stock. NSA is a self-storage real estate investment trust (REIT) that contributed to performance after posting strong results in its first year as a public company and closing its valuation discount versus other self-storage REITs. NSA has beaten and raised acquisition expectations and its stores continue to put up solid fundamental growth.

Also positively contributing to performance was Hercules Technology Growth Capital, Inc. common stock. The company is a leading specialty finance company focused on providing senior secured venture growth loans to high growth, innovative venture capital-backed companies in a broadly diversified variety of technology, life sciences and sustainable and renewable technology industries. The stock performed well during the reporting period as the company announced solid earnings during the reporting period.

Lastly, MGM Growth Properties contributed to performance. This REIT consists of U.S. properties operated by MGM. The master lease with MGM has a 10-year term with extension options on all properties, with cross-default and corporate parent guarantee protections. The company's earnings before interest, taxes, depreciation and amortization (EBITDA) growth is expected to be stable in the low- to mid-single digits. We believe its high quality assets, favorable master lease terms and attractive dividend yield that may offer better downside protection. However, we think the downside risks are its asset concentration (single tenant) and expected minimal external growth opportunities near-term. When we initiated the position at the company's IPO, we thought the incremental 150 basis point pick up in yield versus the outstanding MGM Growth Properties senior notes (which were trading at around 5% yield-to-maturity) offered an attractive risk-reward opportunity on the common stock. The stock rallied further during the second quarter of 2016 when the company announced its acquisition of the Borgata property from Boyd. This acquisition alleviated some of the company's downside risks because it provided MGM greater diversity outside Las Vegas and is incremental to MGM's rental income.

Detracting from performance was Seagate Technology, which designs, manufactures and markets hard disk drives for use in enterprise storage, servers, desktops, laptop computers, and other consumer electronic devices. It also has a growing solid state drive and storage systems portfolio. Recent weak demand within PC markets dragged the stock price lower as earnings were expected to be negatively affected by lower volumes. However, we believe negative sentiment has already been priced into the share price and the company has other catalysts, which include growth in the enterprise space, deferring operating expenditure plans and share buybacks, to offset recent weak stock performance. Gilead Sciences, Inc. common stock also detracted from performance. The stock came under pressure because of negative political and media coverage pertaining to drug pricing. Although we wouldn't completely dismiss the potential for price controls, we feel they are very unlikely. Much of the focus has been on off-patent drugs or newly acquired drugs that underwent significant price increases. Gilead has expensive drug therapies, but they are novel in their development and treat diseases that are life threatening. As fundamentals prevail and earnings are reported we believe investors may be rewarded with a stock trading at attractive multiples of projected earnings and free cash flows, a strong management team and catalysts for future growth. Lastly, the senior debt of Gibson Brands Inc. detracted from performance. Gibson underperformed as the company's entry into the consumer electronics business has experienced difficulties which have weighed on its financial performance. This was partially offset by strength in its guitar business.

We have always been cognizant of the risk of an interest rate rise when making investment decisions, therefore, we think the Fund has been positioned to moderate potential rate impact through investments in shorter duration preferred

**Portfolio Managers Comments** (continued)

securities such as those with higher coupon or fix-to-float structure as well as increasing exposure to other asset classes through security selection. Higher interest rates would decrease the call risk of bond holdings and conversely lower rates would increase the call risk of bond holdings, all other factors remaining constant. Effective duration would increase as interest rates rise.

During the reporting period, the Fund wrote covered call options on common stocks to hedge equity exposure. These options had a positive impact on performance.

**Nuveen Preferred and Income Term Fund (JPI)**

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year and since inception periods ended July 31, 2016. For the twelve-month reporting period ended July 31, 2016, the Fund's shares at net asset value (NAV) underperformed the BofA/Merrill Lynch U.S. All Capital Securities Index, the new JPI Blended Benchmark Index, the old JPI Blended Benchmark and the BofA/Merrill Lynch Preferred Securities Fixed Rate Index.

The Fund seeks to achieve its investment objective of providing a high level of current income and total return by investing in preferred securities and other income producing securities. The Fund's portfolio is actively managed seeking to capitalize on strong and continuously improving credit fundamentals across our issuer base, coupled with arguably wide credit spreads (the difference between current yields on preferred securities and U.S. Treasury Bonds and other fixed income benchmarks) for the preferred security asset class. The Fund's strategy focuses opportunistically on highly regulated industries, like utilities, banks and insurance companies, with a current emphasis broadly on financial services companies.

We employ a credit-based investment approach, using a top-down process to position the portfolio in a manner that reflects the investment team's overall macro-economic outlook, while also incorporating a bottom-up approach that focuses on fundamental credit research, security structure selection, and option adjusted spread (OAS) analysis. The process begins with identifying the investable universe of \$1,000 par and \$25 par preferred securities. In an effort to capitalize on the inefficiencies between different investor bases within the preferred securities market, we tactically and strategically shift capital between the \$25 par exchange listed market and the \$1,000 par over-the-counter market. Periods of volatility may drive notably different valuations between these two markets, as will periods where valuations trend in one direction or another for an extended period of time. This dynamic is often related to differences in how retail and institutional markets perceive and price risk, as well as differences in retail and institutional investors' ability to source substitute investments. Technical factors such as new issue supply may also influence the relative valuations between \$25 par exchange listed structures and \$1,000 par over-the-counter structures.

We continually monitor developments across the domestic and international financial markets, but we do not anticipate materially changing the Fund's relative positioning strategy in the near future. We feel that valuations on the \$25 par retail side of the market have run rich versus the \$1,000 par institutional side of the market. We will likely maintain an overweight to \$1,000 par securities as a result of this relative value opportunity, and because of our desire to position defensively against rising interest rates. Indeed, we have been concerned about the potential impact of rising rates on preferred security valuations for several quarters now. Callable fixed rate coupon securities, like many preferred securities, contain an additional risk, also known as duration extension risk, which is not applicable to non-callable fixed income structures. Duration on callable fixed rate coupon securities tends to extend during periods of rising interest rates, exactly the time when investors benefit least from higher duration. Luckily, there are coupon

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structures within the preferred securities market, like floating rate coupons and fixed-to-variable rate coupons that do not expose investors to the aforementioned duration extension risk. Given our concern regarding the potential impact of rising interest rates on preferred security valuations, we favor fixed-to-variable rate coupon structures which, all else equal, provide a lower duration profile on day one, and almost no duration extension risk versus traditional fixed rate coupon structures.

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Fixed-to-variable rate securities are more common on the \$1,000 par side of the market, and thus another reason in addition to relative value considerations for our current, and foreseeable, overweight to \$1,000 par securities relative to the JPI Blended Index.

As mentioned in previous reports, the population of new generation preferred securities, such as contingent capital securities (otherwise known as CoCos), have indeed become an increasingly meaningful presence within the preferred/hybrid security marketplace. We estimate the total CoCo universe today to be just over \$400 billion in size, with total capacity over the next few years eventually totaling between \$500 billion and \$600 billion based upon the current size of international banks' balance sheets. As a reminder, international bank capital standards outlined in Basel III require new Additional Tier 1 (AT1)-qualifying and Tier 2-qualifying securities to contain explicit loss absorbing features upon the breach of certain predetermined capital thresholds. These loss-absorbing features come in one of three structures, including equity conversion, permanent write-down of principle or temporary write-down of principle with the possibility of future write-up when/if the issuer is able to replenish capital levels back above the threshold trigger level. We have allocated modestly to this new universe of securities. In our opinion, we have focused on those issuers that have meaningful capital cushions above regulatory minimum capital levels. Focusing exposure on these better capitalized issuers helps minimize to a great extent the likelihood of a conversion event, or a skipped coupon payment. In addition to the seeking out those issuers with the larger capital cushions, we also favor those issuers that have, or have nearly, issued their full regulatory amount of AT1 securities, to reduce the impact that future new issue supply might have on secondary valuations.

With respect to the Fund's allocation to lower investment grade and below investment grade securities, we continue to believe that these segments will, over the long term, provide a more compelling risk-adjusted return profile than higher rated preferred/hybrid securities. Lower rated securities are often overlooked by retail and institutional investors, and especially by investors with investment grade only mandates. Until recently, below investment grade preferred securities typically were not index eligible, limiting the potential investor base and frequently creating opportunities for the Fund within this particular segment of the asset class. While lower rated preferred securities may exhibit periods of higher price volatility, we believe the return potential is disproportionately higher due to inefficiencies inherent in the segment. In addition, this lower rated segment of the asset class tends to exhibit lower interest rate sensitivity than higher rated security structures. As a result, this allocation also helps to express our desire to be positioned defensively against rising interest rates. Also, please note that preferred/hybrid securities are typically rated several notches below an issuer's senior unsecured debt rating. Consequently, in most instances, a BB rated preferred/hybrid security has been issued by an entity with an investment grade senior unsecured credit rating of BBB or higher. From a fundamental perspective, we do not believe that below investment grade rated preferred securities expose our investors to the same risks found in other below investment grade categories like traditional high yield bonds or senior loans.

There is another interesting note to consider regarding recent ratings trends across the preferred/hybrid market. Over the past few years, the rating agencies have revised their methodologies for preferred securities which have resulted in a broad drift lower in average ratings for the asset class. This is primarily driven by the fact that the rating agencies no longer place a high likelihood of government support for the preferred security investor during times of crisis. In our opinion, these same rating agencies have yet to fully recognize the tremendous improvement in bank balance sheets post financial crisis, nor have they acknowledged the lower risk profile of the bank business model under the monumental amount of new regulatory oversight. At some point, we do expect rating agencies to take these factors into consideration and eventually to rate bank-issued preferred securities higher than what we observe today.

As with any fixed income asset class, preferred securities are not immune from the impact of rising interest rates. As mentioned above, we seek to minimize the impact of higher rates on the market value of the Fund's portfolio by establishing a position in less interest rate sensitive securities, like fixed-to-variable rate and variable rate coupon

structures. We also feel that rising interest rates are frequently the result of an improving macro-economic landscape, and one

**Portfolio Managers Comments** (continued)

where the current domestic economic recovery has likely gained meaningful traction. In this type of environment, risk premiums should shrink, reflecting the lower risk profile of the overall market. As a result, credit spreads should also narrow. We believe that credit spread compression in the preferred security asset class could help mitigate the negative impact of rising interest rates.

While our allocation to \$1,000 par preferred securities was about equal to the JPI Blended Index as of July 31, 2016, on average during the reporting period the Fund was overweight these structures. Versus the previous JPI Blended Index, the benchmark for performance through January 31, 2016, we maintained a meaningful overweight to \$1,000 par securities. The new JPI Blended Index had a larger allocation to \$1,000 par securities and as of July 31, 2016, both JPI and the new JPI Blended Index had a 68% allocation to that side of the market. The Fund's overweight to \$1,000 par structures detracted from relative performance. In this prolonged low interest rate environment, retail investors demand for income producing securities has grown dramatically. With the single-minded focus on income, retail investors continued to drive valuations on the \$25 par side of the market to increasingly higher levels. Looking at the two sides of the market another way, valuations have run so high on the \$25 par side of the market that there is now a large population of these securities trading at a negative yield-to-worst. Given that valuations between the two sides of the market have bifurcated so dramatically, we do expect valuations to normalize in the near future.

Our overweight in the \$1,000 par side of the market was also heavily concentrated in fixed-to-variable rate coupon structures, which, all else being equal, have lower interest rate sensitivity and lower duration extension risk compared to preferred/hybrid securities with standard fixed rate coupons. Given our outlook for gradually rising interest rates, the fixed-to-variable rate structures were better aligned with our strategy versus traditional fixed rate coupon securities. However, as of July 31, 2016 the Fund had 0.6 year longer effective duration versus the new JPI Blended Index. Despite having roughly 10% more fixed-to-variable rate exposure versus the new Blended Index at the end of the reporting period, JPI's allocation compared to the new JPI Blended Index indeed had more exposure to non-call 10-year structures versus non-call 5-year structures, the former having inherently more duration than the latter. Given that interest rates actually decreased during the reporting period, relative performance of JPI benefitted at the margin from the slightly longer duration profile. In addition, the non-call 10-year structures have greater key rate duration exposure further out the curve versus non-call 5-year structures. As a result, the flattening of the slope between 5-year U.S. Treasuries and 10-year U.S. Treasuries during the twelve-month reporting period also contributed to relative outperformance versus the new JPI Blended Index. Unfortunately, the relative performance between \$1,000 par and \$25 par was a much greater factor on relative performance and resulted in JPI slightly underperforming its new JPI Blended Index.

Finally, while JPI was underweight to CoCos versus the new JPI Blended Index, the Fund was actually overweight CoCo securities during the first six months of the reporting period when compared to the old JPI Blended Index. The old JPI Blended Index had no exposure to CoCos, while the Fund had an approximate 15% allocation to that segment of the market during the reporting period. Unfortunately, during the first half of the reporting period, the CoCo market was affected by several negative headlines resulting in the BofA/Merrill Lynch Contingent Capital Index posting a -1.6% total return for the six-month reporting period starting July 31, 2015 and ending January 31, 2016. During the second half of the reporting period, and with the onset of the new JPI Blended Index with its 40% allocation to CoCos, the Fund naturally transitioned from being overweight to underweight CoCos on a relative basis. While being overweight CoCo securities during the first half of the period detracted from performance, the relative underweight to CoCos during the second half of the period benefitted relative performance. For the twelve-month reporting period, the relative impact from the initial underweight and latter overweight to CoCos ended-up being inconsequential to performance.

**Nuveen Preferred Securities Income Fund (JPS) (formerly Nuveen Quality Preferred Income Fund 2)**

The tables in the Performance Overview and Holding Summaries section of this report provide total return performance for the Fund for the one-year, five-year and ten-year periods ended July 31, 2016. For the twelve-month reporting period ended July 31, 2016 the Fund's common shares at net asset value (NAV) outperformed the Barclays U.S.

Aggregate Bond Index and the new JPS Blended Benchmark. *The new JPS Blended Benchmark Index, which is a secondary benchmark, consists of 60% BofA/ Merrill Lynch All Capital Securities Index and 40% BofA/Merrill Lynch Contingent Capital Index.*

The investment objective of the Fund is to seek high current income consistent with capital preservation with a secondary objective to enhance portfolio value relative to the broad market for preferred securities. Under normal market conditions, the Fund seeks to invest at least 80% of its net assets in preferred securities and up to 20% of its net assets in debt securities, including convertible debt and convertible preferred securities.

Our broad strategy during the reporting period was to reposition the Fund during and after its reorganization into higher yielding below investment grade preferred securities and more fixed-to-variable type coupon structures. We keep a risk-averse posture toward security structure and portfolio structure, which is an important core aspect of our efforts to preserve capital and provide attractive income relative to senior corporate credit. Extension risk, the risk that a security's duration will lengthen, due to a decrease in prepayments caused by rising interest rates, is endemic to the \$25 par sector. As a result, we reduced our concentrations in this sector from roughly 33% down to 20% by the end of the reporting period. We then repositioned the Fund into the fixed-to-variable capital securities sector. Overall, concentrations in below investment grade securities were increased from 10% to 32% and capital securities were increased from 63% to 79% with the objective of increasing the Fund's potential for higher net earnings.

During the reporting period, the U.S. Fed raised its target funds rate by 25 basis points in December 2015. There was also a sharp correction in the S&P 500<sup>®</sup> Index during the January and February 2016 period. Deflation and slow growth has kept both the ECB and the Bank of Japan in accommodative positions. More recently the Bank of England has cut its key benchmark rate and has begun a quantitative easing program of its own on the heels of the UK's vote to leave the EU.

Despite the brief pause during the beginning of 2016, preferred securities performed well over the course of the reporting period. The positive total return has been aided by several factors, including the consistent decline in long-term U.S. Treasury rates, additional easy money from global central banks and constructive fundamental capital formation in the banking sector. Capital securities were the top performers for the reporting period, including General Electric Company 5% and QBE Cap Funding III Limited 7.25% being among the best. The main detractors were Catlin Insurance Company Limited 7.249% and Glen Meadows Pass Through Trust 6.505, which the market is pricing on its expectation that it will not be called when the call options become active next year but will likely switch to paying a floating rate coupon.

We positioned the Fund to play the intermediate part of the yield curve on average by moving more underweight the \$25 par sector and overweight more intermediate \$1,000 par sector. The Fund is positioned this way because we prefer to take more credit risk than duration risk. Additionally, we like the structural benefits of the contingent capital securities (CoCo) sector which has resettable intermediate fixed rate coupons. The CoCo sector received some good fundamental news through regulatory changes this summer whereby coupon payments should gain more certainty because the capital that EU member banks will be required to hold in order to pay the coupons was reduced. This change by the ECB gives the EU banks more cushion to absorb losses before a capital trigger can begin to limit the maximum distributable amounts. We increased the Fund's concentrations in CoCo securities to approximately 30% during the reporting period in order to augment the potential for higher net earnings.

#### **Nuveen Flexible Investment Income Fund (JPW)**

The table in the Performance Overview and Holding Summaries section of this report provides total return performance for the Fund for the one-year and since inception periods ended July 31, 2016. For the twelve-month

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reporting period ended July 31, 2016, the Fund's common shares at net asset value (NAV) outperformed the Barclays U.S. Aggregate Bond Index.

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**Portfolio Managers Comments** (continued)

JPW invests at least 80% of its managed assets in income producing preferred, debt and equity securities issued by companies located anywhere in the world. Up to 50% of its managed assets may be in securities issued by non-U.S. companies, though all (100%) Fund assets will be in U.S. dollar-denominated securities. Up to 40% of its managed assets may consist of equity securities, not including preferred securities. Up to 75% of investments in debt and preferred securities that are of a type customarily rated by a credit rating agency, may be rated below investment grade, or if unrated, will be judged to be of comparable quality by NWQ. The Fund will invest at least 25% in securities issued by financial services companies.

The Fund's investment objectives are to provide high current income and, secondarily, capital appreciation. The Fund seeks to achieve its investment objectives by investing in undervalued securities with attractive investment characteristics. The Fund's portfolio is actively managed by NWQ and has the flexibility to invest across the capital structure in any type of debt, preferred or equity securities offered by a particular company. The portfolio management team then evaluates all available investment choices within a selected company's capital structure to determine the portfolio investment that may offer the most favorable risk-adjusted return potential. The Fund's portfolio is constructed with an emphasis on seeking a sustainable level of income and an overall analysis for downside risk management.

Earlier in the reporting period, macroeconomic uncertainty driven by the economic trouble in emerging economies, falling commodity prices, along with uncertainty around the Fed's hiking cycle all contributed to the significant volatility to both equity and credit markets. By the end of the reporting period however, riskier assets did recover. Common equity and high yield bonds generated a total return of 5.38% as measured by the Russell 1000® Value Index and 4.92% for the BofA/Merrill Lynch U.S. High Yield Index. Investment grade corporate bonds did better with a 9.39% return as measured by the BofA/Merrill Lynch U.S. Corporate Index. The best performing asset class was the preferred market, with a 10.51% return as measured by the BofA/Merrill Lynch Preferred Securities Fixed Rate Index.

Through security selection, we reduced our exposure to common stocks and increased investment grade bonds as many stocks have reached our target prices while we saw more attractive opportunities in bonds issued by high quality companies. This move has helped us protect some downside risks when as we went through several periods of intense volatility during the reporting period. The Fund's average credit quality stayed the same, with an overweight in the BBB-BB rated part of the spectrum. We increased duration as we invested in longer maturity investment grade bonds, which also helped us as rates declined during the reporting period.

During the reporting period, our preferred, investment grade bonds, equity and high yield holdings contributed to performance. Several sectors contributed to the Fund's performance, in particular our holdings in the industrial sector. However, our banking sector holdings detracted from performance.

Several of our holdings performed well during the reporting period, including National Storage Affiliates Trust (NSA) common stock. NSA is a self-storage real estate investment trust (REIT) that contributed to performance after posting strong results in its first year as a public company and closing its valuation discount versus other self-storage REITs. NSA has beaten and raised acquisition expectations, and its stores continue to put up solid fundamental growth.

Also positively contributing to performance was Hercules Technology Growth Capital, Inc. common stock. The company is a leading specialty finance company focused on providing senior secured venture growth loans to high growth, innovative venture capital-backed companies in a broadly diversified variety of technology, life sciences and sustainable and renewable technology industries. The stock performed well during the reporting period as the company announced solid earnings during the reporting period.

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Lastly, MGM Growth Properties contributed to performance. This REIT consists of U.S. properties operated by MGM. The master lease with MGM has a 10-year term with extension options on all properties, with cross-default and corporate parent guarantee protections. The company's earnings before interest, taxes, depreciation and amortization (EBITDA) growth is expected to be stable in the low- to mid-single digits. We believe its high quality assets, favorable



master lease terms and attractive dividend yield should offer better downside protection. However, we think the downside risks are its asset concentration (single tenant) and expected minimal external growth opportunities near-term, plus Las Vegas cyclicality. When we initiated the position at the company's IPO, we thought the incremental 150 basis point pick up in yield versus the outstanding MGM Growth Properties senior notes (which were trading at around 5% yield-to-maturity) offered an attractive risk-reward opportunity on the common stock. The stock rallied further during the second quarter of 2016 when the company announced its acquisition of the Borgata property from Boyd. This acquisition alleviated some of the company's downside risks because it provided MGM greater diversity outside Las Vegas and is incremental to MGM's rental income and accretes adjusted funds from operations (AFFO) per share without adding net leverage.

Positions that detracted from performance included Seagate Technology. The company designs, manufactures and markets hard disk drives for use in enterprise storage, servers, desktops, laptop computers and other consumer electronic devices. It also has a growing solid state drive and storage systems portfolio. Recent weak demand within PC markets dragged the stock price lower as earnings were expected to be negatively affected by lower volumes. However, we believe negative sentiment has already been priced into the share price and the company has other catalysts, which include growth in the enterprise space, deferring operating expenditure plans, and share buybacks, to offset recent weak stock performance.

Also detracting from performance was Gilead Sciences, Inc. common stock. The stock came under pressure because of negative political and media coverage pertaining to drug pricing. Although we wouldn't completely dismiss the potential for price controls, we feel they are unlikely. Also, most of the focus has been on off-patent drugs or newly acquired drugs that underwent significant price increases. Gilead certainly has expensive drug therapies, but they are novel in their development and treat diseases that are life threatening. As fundamentals prevail and earnings are reported we believe investors may be rewarded with a stock trading at attractive multiples of projected earnings and free cash flows, a strong management team and catalysts for future growth.

Lastly, CVR Partners LP holding detracted from performance. During the third quarter of 2015, the share price dropped sharply as the company reported a third quarter loss, no dividend and uncertainty about the merger between CVR Partners and Rentech Nitrogen. The stock rebounded but not enough to recover completely.

We have always been cognizant of the risk of an interest rate rise when making investment decisions, therefore, we think the Fund has been positioned to minimize potential rate impact through investments in shorter duration preferred securities such as those with higher coupon or fix-to-float structure as well as increasing exposure to other asset classes through security selection. Higher interest rates would decrease the call risk of bond holdings and conversely lower rates would increase the call risk of bond holdings, all other factors remaining constant. Effective duration would increase as interest rates rise.

During the reporting period, the Fund wrote covered call options on common stocks to hedge equity exposure. The options had a positive impact on performance.

**Fund**

**Leverage**

**IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE**

One important factor impacting the returns of the Funds relative to their benchmarks was the Funds' use of leverage through the use of bank borrowings. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share NAV and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. The Funds' use of leverage had a positive impact on performance during this reporting period.

JPC, JPI and JPS continued to use swap contracts to partially fix the interest cost of leverage, which as mentioned previously, is through the use of bank borrowings. During this reporting period, these swap contracts detracted from overall Fund performance.

As of July 31, 2016, the Funds' percentages of leverage are shown in the accompanying table.

|                      | <b>JPC</b> | <b>JPI</b> | <b>JPS</b> | <b>JPW</b> |
|----------------------|------------|------------|------------|------------|
| Effective Leverage*  | 28.36%     | 28.67%     | 32.41%     | 28.18%     |
| Regulatory Leverage* | 28.36%     | 28.67%     | 32.41%     | 28.18%     |

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

**THE FUNDS' LEVERAGE**

*Bank Borrowings*

As noted above, the Funds employ regulatory leverage through the use of bank borrowings. The Funds' bank borrowing activities are as shown in the accompanying table.

| Fund | Current Reporting Period |                |                |                | Subsequent to the Close of the Reporting Period |       |                |                    |
|------|--------------------------|----------------|----------------|----------------|---|-------|----------------|--------------------|
|      | August 1, 2015           | Draws          | Paydowns       | July 31, 2016  | Average Balance Outstanding                     | Draws | Paydowns       | September 28, 2016 |
| JPC  | \$ 404,100,000           | \$             | \$             | \$ 404,100,000 | \$ 404,100,000                                  | \$    | \$             | \$ 404,100,000     |
| JPI  | \$ 225,000,000           | \$             | \$             | \$ 225,000,000 | \$ 225,000,000                                  | \$    | \$             | \$ 225,000,000     |
| JPS  | \$ 465,800,000           | \$ 479,200,000 | \$             | \$ 945,000,000 | \$ 552,326,776                                  | \$    | \$ 150,000,000 | \$ 795,000,000     |
| JPW  | \$ 30,000,000            | \$ 2,500,000   | \$ (5,500,000) | \$ 27,000,000  | \$ 26,575,137                                   | \$    | \$             | \$ 27,000,000      |

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

*Reverse Repurchase Agreement*

Subsequent to the current fiscal period, JPS entered into a \$150,000,000 reverse repurchase agreement as a means of leverage. In conjunction with receipt of the \$150,000,000, the Fund paid down \$150,000,000 of its outstanding Borrowings.

**Common Share****Information****JPC, JPI AND JPS COMMON SHARE DISTRIBUTION INFORMATION**

The following information regarding JPC s, JPI s and JPS s distributions is as of July 31, 2016. Each Fund s distribution levels may vary over time based on each Fund s investment activity and portfolio investment value changes.

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

| <b>Monthly Distributions (Ex-Dividend Date)</b>           | <b>Per Common Share Amounts</b> |                  |                  |
|---|---------------------------------|------------------|------------------|
|   | <b>JPC</b>                      | <b>JPI</b>       | <b>JPS</b>       |
| August 2015   | \$ 0.0670                       | \$ 0.1625        | \$ 0.0580        |
| September   | 0.0670                          | 0.1625           | 0.0580           |
| October   | 0.0670                          | 0.1625           | 0.0580           |
| November  | 0.0670                          | 0.1625           | 0.0580           |
| December  | 0.0670                          | 0.1625           | 0.0580           |
| January   | 0.0670                          | 0.1625           | 0.0580           |
| February  | 0.0670                          | 0.1625           | 0.0580           |
| March   | 0.0670                          | 0.1625           | 0.0580           |
| April   | 0.0670                          | 0.1625           | 0.0580           |
| May*  | 0.0670                          | 0.1625           | 0.0580           |
| June  | 0.0670                          | 0.1625           | 0.0590           |
| July 2016   | 0.0670                          | 0.1625           | 0.0620           |
| <b>Total Monthly Per Share Distributions</b>              | <b>\$ 0.8040</b>                | <b>\$ 1.9500</b> | <b>\$ 0.7010</b> |
| Ordinary Income Distribution**                            | \$                              | \$ 0.0026        | \$               |
| <b>Total Distributions from Net Investment Income</b>     | <b>\$ 0.8040</b>                | <b>\$ 1.9526</b> | <b>\$ 0.7010</b> |
| <b>Total Distributions from Long-Term Capital Gains**</b> | <b>\$</b>                       | <b>\$ 0.1824</b> | <b>\$</b>        |
| <b>Total Distributions</b>                                | <b>\$ 0.8040</b>                | <b>\$ 2.1350</b> | <b>\$ 0.7010</b> |
| <b>Current Distribution Rate***</b>                       | <b>7.71%</b>                    | <b>7.93%</b>     | <b>7.73%</b>     |

\* In connection with JPS's reorganization, the Fund declared a dividend of \$0.0457 per common share with an ex-dividend date of May 17, 2016, payable on June 1, 2016 and a dividend of \$0.0123 per common share with an ex-dividend date of May 4, 2016, payable on June 1, 2016.

\*\*Distributions paid in December 2015.

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

JPC, JPI and JPS seek to pay regular monthly dividends out of their net investment income at a rate that reflects their past and projected net income performance. To permit each Fund to maintain a more stable monthly dividend, the Fund may pay dividends at a rate that may be more or less than the amount of net income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it will hold the excess in

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reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if a Fund has cumulatively paid in dividends more than it has earned, the excess will constitute a negative UNII that will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders.

As of July 31, 2016, JPC, JPI and JPS had positive UNII balances for tax purposes. JPC and JPI had negative UNII balances while JPS had a positive UNII balance for financial reporting purposes.

**Common Share Information** (continued)

All monthly dividends paid by JPC, JPI and JPS during the current reporting period, were paid from net investment income. If a portion of the Funds' monthly distributions were sourced from or comprised of elements other than net investment income, including capital gains and/or a return of capital, shareholders would have received a notice to that effect. For financial reporting purposes, the composition and per share amounts of each Fund's dividends for the reporting period are presented in this report's Statement of Changes in Net Assets and Financial Highlights, respectively. For income tax purposes, distribution information for each Fund as of its most recent tax year end is presented in Note 6 - Income Tax Information within the Notes to Financial Statements of this report.

**JPW DISTRIBUTION INFORMATION**

The following information regarding JPW's distributions is current as of July 31, 2016, the Fund's fiscal and tax year end, and may differ from previously issued distribution notifications.

The Fund has a cash flow-based distribution program. Under this program, the Fund seeks to maintain an attractive and stable regular distribution based on the Fund's net cash flow received from its portfolio investments. Fund distributions are not intended to include expected portfolio appreciation; however, the Fund invests in securities that make payments which ultimately may be fully or partially treated as gains or return of capital for tax purposes. This tax treatment will generally flow through to the Fund's distributions, but the specific tax treatment is often not known with certainty until after the end of the Fund's tax year. As a result, regular distributions throughout the year are likely to be re-characterized for tax purposes as either long-term gains (both realized and unrealized), or as a non-taxable return of capital.

The figures in the table below provide the sources (for tax purposes) of the Fund's distributions as of July 31, 2016. These sources include amounts attributable to realized gains and/or returns of capital. The information shown below is for the distributions paid on common shares for all prior months in the current fiscal year. These amounts should not be used for tax reporting purposes, and the distribution sources may differ for financial reporting than for tax reporting. The final determination of the tax characteristics of all distributions paid in 2016 will be made in early 2017 and reported to you on Form 1099-DIV. More details about the tax characteristics of the Fund's distributions are available on [www.nuveen.com/CEFdistributions](http://www.nuveen.com/CEFdistributions).

**Data as of July 31, 2016**

| Investment<br>Income | Fiscal YTD<br>Percentage of Distributions |                   |                      | Total<br>Distributions | Fiscal YTD<br>Per Share Amounts |                   |                      |
|----------------------|---|-------------------|----------------------|------------------------|---------------------------------|-------------------|----------------------|
|                      | Net<br>Income                             | Realized<br>Gains | Return of<br>Capital |                        | Net<br>Income                   | Realized<br>Gains | Return of<br>Capital |
| 85.9%                | 0.0%                                      | 14.1%             | \$1.4140             | \$1.2150               | \$0.0000                        | \$0.1990          |                      |

The following table provides information regarding Fund distributions and total return performance over various time periods. This information is intended to help you better understand whether Fund returns for the specified time periods were sufficient to meet Fund distributions.

**Data as of July 31, 2016**

| Inception<br>Date | Latest<br>Monthly<br>Per Share<br>Distribution | Current<br>Distribution on<br>NAV | Annualized                 |                                     | Cumulative                              |                                  |
|-------------------|--|-----------------------------------|----------------------------|-------------------------------------|---|----------------------------------|
|                   |  |                                   | 1-Year<br>Return on<br>NAV | Since Inception<br>Return on<br>NAV | Calendar YTD<br>Distributions on<br>NAV | Calendar<br>YTD Return<br>on NAV |
| 6/25/2013         | \$0.1130                                       | 7.29%                             | 8.49%                      | 7.91%                               | 4.38%                                   | 13.50%                           |

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## COMMON SHARE REPURCHASES

During August 2016 (subsequent to the close of this reporting period), the Funds' Board of Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of July 31, 2016, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their outstanding common shares as shown in the accompanying table.

|  | JPC       | JPI       | JPS        | JPW     |
|--|-----------|-----------|------------|---------|
| Common shares cumulatively repurchased and retired | 2,826,100 | 0         | 0          | 6,500   |
| Common shares authorized for repurchase            | 9,690,000 | 2,275,000 | 12,040,000 | 370,000 |

During the current reporting period, the following Fund repurchased and retired its common shares at a weighted average price per common share and a weighted average discount per common share as shown in the accompanying table.

|  | JPW     |
|--|---------|
| Common shares repurchased and retired                              | 6,500   |
| Weighted average price per common share repurchased and retired    | \$14.28 |
| Weighted average discount per common share repurchased and retired | 15.28%  |

## OTHER COMMON SHARE INFORMATION

As of July 31, 2016, and during the current reporting period, the Funds' common share prices were trading at a premium/(discount) to their common share NAVs as shown in the accompanying table.

|  | JPC     | JPI     | JPS     | JPW      |
|--|---------|---------|---------|----------|
| Common share NAV                           | \$10.53 | \$24.60 | \$9.67  | \$18.61  |
| Common share price                         | \$10.43 | \$24.59 | \$9.63  | \$16.78  |
| Premium/(Discount) to NAV                  | (0.95)% | (0.04)% | (0.41)% | (9.83)%  |
| 12-month average premium/(discount) to NAV | (6.91)% | (3.97)% | (3.84)% | (12.73)% |



## Risk

### Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation.

#### **Nuveen Preferred Income Opportunities Fund (JPC)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Preferred securities** are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk. **Debt or fixed income securities** such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. Certain types of preferred or debt securities with special loss absorption provisions, such as **contingent capital securities (CoCos)**, may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock. These and other risk considerations such as **concentration** and **foreign securities** risk are described in more detail on the Fund's web page at [www.nuveen.com/JPC](http://www.nuveen.com/JPC).

#### **Nuveen Preferred and Income Term Fund (JPI)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Preferred securities** are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk. **Debt or fixed income securities** such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. Certain types of preferred or debt securities with special loss absorption provisions, such as **contingent capital securities (CoCos)**, may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock. For these and other risks, including the Fund's **limited term** and **concentration** risk, see the Fund's web page at [www.nuveen.com/JPI](http://www.nuveen.com/JPI).

#### **Nuveen Preferred Securities Income Fund (JPS) (formerly Nuveen Quality Preferred Income Fund 2)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Preferred securities** are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk. **Debt or fixed income securities** such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a Fund's leverage strategy will be successful. Certain types of preferred or debt securities with special loss absorption provisions, such as **contingent capital securities (CoCos)**, may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock. These and other risks such as **concentration** and **foreign securities** risk are described in more detail on the Fund's web page at

[www.nuveen.com/JPS](http://www.nuveen.com/JPS).

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**Nuveen Flexible Investment Income Fund (JPW)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. **Preferred securities** are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk. **Debt or fixed income securities** such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, derivatives risk, liquidity risk, and income risk. As interest rates rise, bond prices fall. **Lower credit** debt securities may be more likely to fail to make timely interest or principal payments. Prices of **equity securities** may decline significantly over short or extended periods of time. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. Certain types of preferred or debt securities with special loss absorption provisions, such as **contingent capital securities** (CoCos), may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock. For these and other risks such as **concentration** and **foreign securities** risk, please see the Fund's web page at [www.nuveen.com/JPW](http://www.nuveen.com/JPW).

**JPC****Nuveen Preferred Income Opportunities Fund****Performance Overview and Holding Summaries as of July 31, 2016**

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

**Average Annual Total Returns as of July 31, 2016**

|  | <b>Average Annual</b> |               |                |
|--|-----------------------|---------------|----------------|
|  | <b>1-Year</b>         | <b>5-Year</b> | <b>10-Year</b> |
| JPC at Common Share NAV                                  | 9.01%                 | 9.92%         | 5.73%          |
| JPC at Common Share Price                                | 23.47%                | 13.24%        | 7.39%          |
| JPC Blended Index (Comparative Benchmark)                | 3.51%                 | 7.06%         | 5.71%          |
| BofA/Merrill Lynch Preferred Securities Fixed Rate Index | 10.51%                | 7.67%         | 3.78%          |

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

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings, while BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

|  |               |
|--|---------------|
| Common Stocks                                    | 5.1%          |
| \$25 Par (or similar) Retail Preferred           | 60.8%         |
| Convertible Preferred Securities                 | 1.6%          |
| Corporate Bonds                                  | 12.4%         |
| \$1,000 Par (or similar) Institutional Preferred | 59.3%         |
| Repurchase Agreements                            | 0.6%          |
| Other Assets Less Liabilities                    | (0.2)%        |
| <b>Net Assets Plus Borrowings</b>                | <b>139.6%</b> |
| Borrowings                                       | (39.6)%       |
| <b>Net Assets</b>                                | <b>100%</b>   |

### Portfolio Composition

(% of total investments)<sup>1</sup>

|                                |             |
|--------------------------------|-------------|
| Banks                          | 31.0%       |
| Insurance                      | 19.9%       |
| Capital Markets                | 9.6%        |
| Real Estate Investment Trust   | 8.8%        |
| Food Products                  | 5.0%        |
| Diversified Financial Services | 4.3%        |
| Industrial Conglomerates       | 3.5%        |
| Other                          | 17.5%       |
| Repurchase Agreements          | 0.4%        |
| <b>Total</b>                   | <b>100%</b> |

**Country Allocation****(% of total investments)<sup>1</sup>**

|                |             |
|----------------|-------------|
| United States  | 81.1%       |
| United Kingdom | 6.2%        |
| France         | 2.8%        |
| Australia      | 1.8%        |
| Switzerland    | 1.8%        |
| Other          | 6.3%        |
| <b>Total</b>   | <b>100%</b> |

**Top Five Issuers****(% of total long-term investments)<sup>1</sup>**

|                                 |      |
|---------------------------------|------|
| Citigroup Inc.                  | 3.6% |
| General Electric Company        | 3.0% |
| Wells Fargo & Company           | 2.7% |
| Cobank Agricultural Credit Bank | 2.6% |
| JPMorgan Chase & Company        | 2.6% |

**Credit Quality****(% of total long-term fixed-income investments)**

|                 |             |
|-----------------|-------------|
| AA              | 3.0%        |
| A               | 1.9%        |
| BBB             | 44.5%       |
| BB or Lower     | 34.3%       |
| N/R (not rated) | 16.3%       |
| <b>Total</b>    | <b>100%</b> |

1 Excluding investments in derivatives.

**JPI**

**Nuveen Preferred and Income Term Fund**

**Performance Overview and Holding Summaries as of July 31, 2016**

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

**Average Annual Total Returns as of July 31, 2016**

|  | <b>Average Annual</b> |                        |
|--|-----------------------|------------------------|
|  | <b>1-Year</b>         | <b>Since Inception</b> |
| JPI at Common Share NAV                                  | 7.96%                 | 9.67%                  |
| JPI at Common Share Price                                | 20.97%                | 8.96%                  |
| BofA/Merrill Lynch U.S. All Capital Securities Index     | 8.11%                 | 8.54%                  |
| BofA/Merrill Lynch Preferred Securities Fixed Rate Index | 10.51%                | 6.96%                  |
| Blended Benchmark (New Comparative Index)                | 8.73%                 | 6.77%                  |
| Blended Benchmark (Old Comparative Index)                | 9.70%                 | 7.00%                  |

Since inception returns are from 7/26/12. Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings, while BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

|  |               |
|--|---------------|
| \$25 Par (or similar) Retail Preferred           | 44.7%         |
| Corporate Bonds                                  | 10.9%         |
| \$1,000 Par (or similar) Institutional Preferred | 84.0%         |
| Other Assets Less Liabilities                    | 0.6%          |
| <b>Net Assets Plus Borrowings</b>                | <b>140.2%</b> |
| Borrowings                                       | (40.2)%       |
| <b>Net Assets</b>                                | <b>100%</b>   |

### Portfolio Composition

(% of total investments)<sup>1</sup>

|                                |             |
|--------------------------------|-------------|
| Banks                          | 38.3%       |
| Insurance                      | 24.9%       |
| Capital Markets                | 9.2%        |
| Diversified Financial Services | 6.5%        |
| Food Products                  | 4.4%        |
| Other                          | 16.7%       |
| <b>Total</b>                   | <b>100%</b> |

### Country Allocation

(% of total investments)<sup>1</sup>



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|                |             |
|----------------|-------------|
| United States  | 69.3%       |
| United Kingdom | 9.8%        |
| France         | 5.4%        |
| Switzerland    | 3.5%        |
| Australia      | 3.5%        |
| Other          | 8.5%        |
| <b>Total</b>   | <b>100%</b> |

**Top Five Issuers**

(% of total long-term investments)<sup>1</sup>

|                                 |      |
|---------------------------------|------|
| Citigroup Inc.                  | 3.8% |
| Farm Credit Bank of Texas       | 3.6% |
| Cobank Agricultural Credit Bank | 3.4% |
| General Electric Company        | 3.3% |
| Morgan Stanley                  | 3.1% |

**Credit Quality**

(% of total long-term investments)<sup>1</sup>

|                 |             |
|-----------------|-------------|
| AA              | 3.3%        |
| A               | 2.9%        |
| BBB             | 50.6%       |
| BB or Lower     | 39.0%       |
| N/R (not rated) | 4.2%        |
| <b>Total</b>    | <b>100%</b> |

1 Excluding investments in derivatives.

JPS

**Nuveen Preferred Securities Income Fund**

(formerly known as Nuveen Quality Preferred Income Fund 2)

**Performance Overview and Holding Summaries as of July 31, 2016**

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

**Average Annual Total Returns as of July 31, 2016**

|   | <b>Average Annual</b> |               |                |
|---|-----------------------|---------------|----------------|
|   | <b>1-Year</b>         | <b>5-Year</b> | <b>10-Year</b> |
| JPS at Common Share NAV                   | 6.77%                 | 9.63%         | 4.61%          |
| JPS at Common Share Price                 | 14.48%                | 11.86%        | 4.92%          |
| Barclays U.S. Aggregate Bond Index        | 5.94%                 | 3.57%         | 5.06%          |
| Blended Benchmark (New Comparative Index) | 6.31%                 | N/A           | N/A            |
| Blended Benchmark (Old Comparative Index) | 8.32%                 | 7.86%         | 5.32%          |

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

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings, while BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

### Fund Allocation

(% of net assets)

|  |               |
|--|---------------|
| \$25 Par (or similar) Retail Preferred           | 30.7%         |
| Convertible Preferred Securities                 | 0.7%          |
| Corporate Bonds                                  | 8.3%          |
| \$1,000 Par (or similar) Institutional Preferred | 102.8%        |
| Investment Companies                             | 1.3%          |
| Repurchase Agreements                            | 4.3%          |
| Other Assets Less Liabilities                    | (0.2)%        |
| <b>Net Assets Plus Borrowings</b>                | <b>147.9%</b> |
| Borrowings                                       | (47.9)%       |
| <b>Net Assets</b>                                | <b>100%</b>   |

### Portfolio Composition

(% of total investments)<sup>1</sup>

|                       |             |
|-----------------------|-------------|
| Banks                 | 49.3%       |
| Insurance             | 20.5%       |
| Capital Markets       | 8.0%        |
| Other                 | 18.4%       |
| Investment Companies  | 0.9%        |
| Repurchase Agreements | 2.9%        |
| <b>Total</b>          | <b>100%</b> |

### Country Allocation

(% of total investments)<sup>1</sup>

|                |             |
|----------------|-------------|
| United States  | 55.4%       |
| United Kingdom | 15.8%       |
| France         | 7.3%        |
| Switzerland    | 5.4%        |
| Netherlands    | 5.2%        |
| Other          | 10.9%       |
| <b>Total</b>   | <b>100%</b> |

### Top Five Issuers

(% of total long-term investments)<sup>1</sup>

|                                  |      |
|----------------------------------|------|
| General Electric Company         | 3.4% |
| Royal Bank of Scotland Group PLC | 3.2% |
| Lloyds Banking Group PLC         | 3.0% |
| Citigroup Inc.                   | 3.0% |
| UBS Group AG                     | 2.9% |

### Credit Quality

(% of total long-term fixed-income investments)

|              |             |
|--------------|-------------|
| AA           | 3.4%        |
| A            | 4.0%        |
| BBB          | 60.7%       |
| BB or Lower  | 31.9%       |
| <b>Total</b> | <b>100%</b> |

<sup>1</sup> Excluding investments in derivatives.

**JPW**

**Nuveen Flexible Investment Income Fund**

**Performance Overview and Holding Summaries as of July 31, 2016**

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

**Average Annual Total Returns as of July 31, 2016**

|  | <b>Average Annual</b> |                        |
|--|-----------------------|------------------------|
|  | <b>1-Year</b>         | <b>Since Inception</b> |
| JPW at Common Share NAV                                  | 8.49%                 | 7.91%                  |
| JPW at Common Share Price                                | 12.89%                | 3.91%                  |
| Barclays U.S. Aggregate Bond Index                       | 5.94%                 | 4.40%                  |
| BofA/Merrill Lynch Preferred Securities Fixed Rate Index | 10.51%                | 8.90%                  |

Since inception returns are from 6/25/13. Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Common Share Price Performance Weekly Closing Price**

**This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.**

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### Fund Allocation

(% of net assets)

|  |               |
|--|---------------|
| Common Stocks                                    | 21.8%         |
| \$25 Par (or similar) Retail Preferred           | 34.0%         |
| Convertible Preferred Securities                 | 4.5%          |
| Corporate Bonds                                  | 64.4%         |
| \$1,000 Par (or similar) Institutional Preferred | 11.7%         |
| Common Stock Rights                              | 1.6%          |
| Repurchase Agreements                            | 0.4%          |
| Other Assets Less Liabilities                    | 0.8%          |
| <b>Net Assets Plus Borrowings</b>                | <b>139.2%</b> |
| Borrowings                                       | (39.2)%       |
| <b>Net Assets</b>                                | <b>100%</b>   |

### Portfolio Composition

(% of total investments)<sup>1</sup>

|  |       |
|--|-------|
| Banks                                  | 11.8% |
| Real Estate Investment Trust           | 10.4% |
| Diversified Telecommunication Services | 6.6%  |
| Capital Markets                        | 6.1%  |
| Wireless Telecommunication Services    | 4.7%  |
| Insurance                              | 4.4%  |
| Food Products                          | 4.3%  |
| Machinery                              | 4.1%  |
| Pharmaceuticals                        | 3.9%  |

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|  |             |
|--|-------------|
| Consumer Finance                           | 3.7%        |
| Chemicals                                  | 3.6%        |
| Technology Hardware, Storage & Peripherals | 3.3%        |
| Media                                      | 3.0%        |
| Specialty Retail                           | 3.0%        |
| Semiconductors & Semiconductor Equipment   | 2.6%        |
| Commercial Services & Supplies             | 2.5%        |
| Industrial Conglomerates                   | 2.4%        |
| Other                                      | 19.3%       |
| Repurchase Agreements                      | 0.3%        |
| <b>Total</b>                               | <b>100%</b> |
| <b>Credit Quality</b>                      |             |

(% of total long-term fixed-income investments)

|                         |             |
|-------------------------|-------------|
| A                       | 2.5%        |
| BBB                     | 19.5%       |
| BB or Lower             | 47.6%       |
| N/R (not rated)         | 30.4%       |
| <b>Total</b>            | <b>100%</b> |
| <b>Top Five Issuers</b> |             |

(% of total long-term investments)<sup>1</sup>

|                                     |      |
|-------------------------------------|------|
| Frontier Communications Corporation | 3.5% |
| Viacom Inc.                         | 2.3% |
| CHS Inc.                            | 2.0% |
| L Brands, Inc.                      | 2.0% |
| Dish DBS Corporation                | 2.0% |

**Country Allocation**

(% of total investments)<sup>1</sup>

|                |             |
|----------------|-------------|
| United States  | 87.3%       |
| United Kingdom | 3.5%        |
| Canada         | 2.9%        |
| Belgium        | 1.4%        |
| Germany        | 1.3%        |
| Other          | 3.6%        |
| <b>Total</b>   | <b>100%</b> |

<sup>1</sup> Excluding investments in derivatives.





**Shareholder****Meeting Report**

The annual meeting of shareholders was held in the offices of Nuveen Investments on January 19, 2016 for JTP, JPS and JHP; at this meeting the shareholders were asked to vote to approve an Agreement and Plan of Reorganization, to approve Issuance of Additional Shares and to elect Board Members. The meeting was subsequently adjourned to February 19, 2016 and additionally adjourned to March 22, 2016.

The annual meeting of shareholders was held in the offices of Nuveen Investments on April 22, 2016 for JPC, JPI and JPW; at this meeting the shareholders were asked to elect Board Members.

|  | <b>JPC</b><br>Common<br>Shares | <b>JPI</b><br>Common<br>Shares | <b>JPW</b><br>Common<br>Shares | <b>JPS</b><br>Common<br>Shares | <b>JTP</b><br>Common<br>Shares | <b>JHP</b><br>Common<br>Shares |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>To approve an Agreement and Plan of Reorganization</b>  |                                |                                |                                |                                |                                |                                |
| For  |                                |                                |                                |                                | 32,820,534                     | 12,544,496                     |
| Against  |                                |                                |                                |                                | 2,295,973                      | 762,105                        |
| Abstain  |                                |                                |                                |                                | 1,298,597                      | 420,622                        |
| BNV  |                                |                                |                                |                                | 24,588,402                     | 8,511,085                      |
| Total  |                                |                                |                                |                                | 61,003,506                     | 22,238,308                     |
| <b>To approve the issuance of additional common shares in connection with each Reorganization.</b> |                                |                                |                                |                                |                                |                                |
| For  |                                |                                |                                | 56,731,586                     |                                |                                |
| Against  |                                |                                |                                | 4,584,231                      |                                |                                |
| Abstain  |                                |                                |                                | 2,384,090                      |                                |                                |
| Total  |                                |                                |                                | 63,699,907                     |                                |                                |
| <b>Approval of the Board Members was reached as follows:</b>                                       |                                |                                |                                |                                |                                |                                |
| <b>William C. Hunter</b>   |                                |                                |                                |                                |                                |                                |
| For  | 80,290,626                     | 19,229,027                     | 3,053,388                      |                                |                                |                                |
| Withhold   | 2,004,098                      | 384,247                        | 135,933                        |                                |                                |                                |
| Total  | 82,294,724                     | 19,613,274                     | 3,189,321                      |                                |                                |                                |
| <b>Judith M. Stockdale</b>   |                                |                                |                                |                                |                                |                                |
| For  | 80,034,232                     | 19,190,176                     | 3,019,380                      |                                |                                |                                |
| Withhold   | 2,260,492                      | 423,098                        | 169,941                        |                                |                                |                                |
| Total  | 82,294,724                     | 19,613,274                     | 3,189,321                      |                                |                                |                                |
| <b>Carole E. Stone</b>   |                                |                                |                                |                                |                                |                                |

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|                   |            |            |           |
|-------------------|------------|------------|-----------|
| For               | 80,180,617 | 19,182,751 | 3,011,588 |
| Withhold          | 2,114,107  | 430,523    | 177,733   |
| Total             | 82,294,724 | 19,613,274 | 3,189,321 |
| Margaret L. Wolff |            |            |           |
| For               | 80,205,874 | 19,197,243 | 3,019,124 |
| Withhold          | 2,088,850  | 416,031    | 170,197   |
| Total             | 82,294,724 | 19,613,274 | 3,189,321 |

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**Report of**

**Independent Registered Public Accounting Firm**

**To the Board of Trustees and Shareholders of**

**Nuveen Preferred Income Opportunities Fund**

**Nuveen Preferred and Income Term Fund**

**Nuveen Preferred Securities Income Fund (formerly known as Nuveen Quality Preferred Income Fund 2)**

**Nuveen Flexible Investment Income Fund:**

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Preferred Income Opportunities Fund, Nuveen Preferred and Income Term Fund, Nuveen Preferred Securities Income Fund and Nuveen Flexible Investment Income Fund (the Funds) as of July 31, 2016, and the related statements of operations and cash flows for the year then ended and the statements of changes in net assets and the financial highlights for each of the years in the two-year period then ended. The financial highlights for the periods presented through July 31, 2014, were audited by other auditors whose report dated September 25, 2014, expressed an unqualified opinion on those financial highlights. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of July 31, 2016, by correspondence with the custodian and brokers or other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Funds as of July 31, 2016, the results of their operations and their cash flows for the year then ended and the changes in their net assets and the financial highlights for each of the years in the two-year period then ended, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Chicago, Illinois

September 28, 2016

JPC

**Nuveen Preferred Income Opportunities Fund**  
**Portfolio of Investments**

July 31, 2016

| Shares  | Description (1)  | Value        |
|---------|--|--------------|
|         | <b>LONG-TERM INVESTMENTS 139.2% (99.6% of Total Investments)</b> |              |
|         | <b>COMMON STOCKS 5.1% (3.6% of Total Investments)</b>            |              |
|         | <b>Air Freight &amp; Logistics 0.2%</b>                          |              |
| 15,600  | United Parcel Service, Inc., Class B                             | \$ 1,686,360 |
|         | <b>Banks 0.3%</b>  |              |
| 97,900  | CIT Group Inc.   | 3,383,424    |
|         | <b>Biotechnology 0.3%</b>  |              |
| 39,600  | Gilead Sciences, Inc.  | 3,147,012    |
|         | <b>Capital Markets 0.5%</b>                                      |              |
| 119,035 | Ares Capital Corporation   | 1,802,190    |
| 151,368 | Hercules Technology Growth Capital, Inc.                         | 2,007,140    |
| 101,032 | TPG Specialty Lending, Inc.                                      | 1,773,112    |
|         | Total Capital Markets  | 5,582,442    |
|         | <b>Industrial Conglomerates 0.8%</b>                             |              |
| 136,300 | Philips Electronics  | 3,620,128    |
| 41,200  | Siemens AG, Sponsored ADR, (2)                                   | 4,471,930    |
|         | Total Industrial Conglomerates                                   | 8,092,058    |
|         | <b>Insurance 0.2%</b>  |              |
| 55,900  | Unum Group   | 1,867,619    |
|         | <b>Media 0.4%</b>  |              |
| 106,355 | National CineMedia, Inc., (3)                                    | 1,657,011    |
| 46,435  | Viacom Inc., Class B, (3)  | 2,111,399    |
|         | Total Media  | 3,768,410    |
|         | <b>Multiline Retail 0.3%</b>                                     |              |
| 83,300  | Nordstrom, Inc.  | 3,684,359    |
|         | <b>Pharmaceuticals 1.0%</b>                                      |              |
| 138,800 | AstraZeneca PLC, Sponsored ADR                                   | 4,738,632    |
| 121,200 | GlaxoSmithKline PLC, Sponsored ADR                               | 5,462,484    |
|         | Total Pharmaceuticals  | 10,201,116   |
|         | <b>Real Estate Investment Trust 0.5%</b>                         |              |
| 40,000  | Apartment Investment & Management Company, Class A               | 1,838,800    |

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|         |   |            |
|---------|---|------------|
| 106,500 | MGM Growth Properties LLC, Class A      | 2,887,215  |
|         | Total Real Estate Investment Trust      | 4,726,015  |
|         | <b>Software 0.2%</b>                    |            |
| 42,000  | Oracle Corporation                      | 1,723,680  |
|         | <b>Tobacco 0.4%</b>                     |            |
| 187,015 | Vector Group Ltd., (3)                  | 4,131,161  |
|         | Total Common Stocks (cost \$50,527,720) | 51,993,656 |

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| Shares   | Description (1)                                 | Coupon | Ratings (4) | Value         |
|--|---|--------|-------------|---------------|
| <b>\$25 PAR (OR SIMILAR) RETAIL PREFERRED 60.8% (43.5% of Total Investments)</b> |   |        |             |               |
| <b>Banks 14.2%</b>   |   |        |             |               |
| 128,500  | AgriBank FCB, (2)                               | 6.875% | BBB+        | \$ 13,873,990 |
| 15,202   | Boston Private Financial Holdings Inc.          | 6.950% | N/R         | 403,614       |
| 148,007  | Citigroup Inc.                                  | 8.125% | BB+         | 4,221,160     |
| 445,498  | Citigroup Inc.                                  | 7.125% | BB+         | 13,400,580    |
| 53,769   | Citigroup Inc.                                  | 6.875% | BB+         | 1,600,703     |
| 172,975  | Cobank Agricultural Credit Bank, (2)            | 6.250% | BBB+        | 17,902,913    |
| 63,055   | Cobank Agricultural Credit Bank, (2)            | 6.200% | BBB+        | 6,433,584     |
| 38,725   | Cobank Agricultural Credit Bank, (2)            | 6.125% | BBB+        | 3,755,117     |
| 219,725  | Countrywide Capital Trust III                   | 7.000% | BBB         | 5,594,199     |
| 128,220  | Cowen Group, Inc.                               | 8.250% | N/R         | 3,385,008     |
| 152,903  | Fifth Third Bancorp.                            | 6.625% | Baa3        | 4,741,522     |
| 117,760  | First Niagara Finance Group                     | 8.625% | Baa3        | 3,048,806     |
| 123,900  | FNB Corporation                                 | 7.250% | Ba2         | 4,029,228     |
| 138,932  | HSBC Holdings PLC                               | 8.000% | Baa1        | 3,727,546     |
| 414,200  | Huntington BancShares Inc.                      | 6.250% | Baa3        | 11,477,482    |
| 46,421   | PNC Financial Services                          | 6.125% | Baa2        | 1,407,485     |
| 260,212  | Private Bancorp Incorporated                    | 7.125% | N/R         | 6,825,361     |
| 79,430   | Regions Financial Corporation                   | 6.375% | BB          | 2,138,256     |
| 449,744  | Regions Financial Corporation                   | 6.375% | BB          | 13,015,591    |
| 133,300  | TCF Financial Corporation                       | 7.500% | BB          | 3,547,113     |
| 132,000  | U.S. Bancorp.                                   | 6.500% | A3          | 4,048,440     |
| 216,373  | Webster Financial Corporation                   | 6.400% | Baa3        | 5,729,557     |
| 107,000  | Wells Fargo REIT                                | 6.375% | BBB+        | 2,975,670     |
| 66,775   | Western Alliance Bancorp.                       | 6.250% | N/R         | 1,708,772     |
| 187,983  | Zions Bancorporation                            | 7.900% | BB          | 5,073,661     |
| 43,293   | Zions Bancorporation                            | 6.300% | BB          | 1,324,333     |
| Total Banks  |   |        |             | 145,389,691   |
| <b>Capital Markets 8.1%</b>  |   |        |             |               |
| 130,200  | Apollo Investment Corporation                   | 6.875% | BBB         | 3,503,682     |
| 112,775  | Apollo Investment Corporation                   | 6.625% | BBB         | 2,943,428     |
| 187,440  | Capitala Finance Corporation                    | 7.125% | N/R         | 4,777,846     |
| 133,500  | Charles Schwab Corporation                      | 6.000% | BBB         | 3,723,315     |
| 74,047   | Charles Schwab Corporation                      | 5.950% | BBB         | 2,035,552     |
| 120,805  | Fifth Street Finance Corporation                | 6.125% | BBB         | 3,087,776     |
| 17,350   | Gladstone Capital Corporation                   | 6.750% | N/R         | 440,517       |
| 43,089   | Gladstone Investment Corporation                | 7.125% | N/R         | 1,114,712     |
| 89,100   | Goldman Sachs Group, Inc.                       | 5.500% | Ba1         | 2,411,937     |
| 65,013   | Hercules Technology Growth Capital Incorporated | 7.000% | BBB         | 1,655,881     |
| 56,207   | Hercules Technology Growth Capital Incorporated | 7.000% | BBB         | 1,428,220     |
| 163,458  | Hercules Technology Growth Capital Incorporated | 6.250% | BBB         | 4,246,639     |
| 284,951  |   | 8.000% | N/R         | 7,009,795     |

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|         |  |        |      |            |
|---------|--|--------|------|------------|
|         | Ladenburg Thalmann Financial Services Inc. |        |      |            |
| 726,900 | Morgan Stanley                             | 7.125% | Ba1  | 21,923,304 |
| 219,900 | Morgan Stanley                             | 6.875% | Ba1  | 6,487,050  |
| 67,500  | Northern Trust Corporation                 | 5.850% | BBB+ | 1,865,700  |
| 261,622 | Solar Capital Limited                      | 6.750% | BBB  | 6,619,037  |
| 51,445  | State Street Corporation                   | 5.350% | Baa1 | 1,423,483  |
| 74,800  | Stifel Financial Corporation               | 6.250% | BB   | 1,970,232  |
| 139,645 | Triangle Capital Corporation               | 6.375% | N/R  | 3,595,859  |
|         | Total Capital Markets                      |        |      | 82,263,965 |
|         | <b>Consumer Finance 2.2%</b>               |        |      |            |
| 272,000 | Discover Financial Services                | 6.500% | BB   | 7,251,520  |
| 409,024 | GMAC Capital Trust I                       | 8.125% | B+   | 10,397,390 |
| 90,659  | SLM Corporation, Series A                  | 6.970% | Ba3  | 4,532,950  |
|         | Total Consumer Finance                     |        |      | 22,181,860 |
|         | <b>Diversified Financial Services 1.6%</b> |        |      |            |
| 30,291  | KKR Financial Holdings LLC                 | 7.500% | A    | 799,682    |
| 322,399 | KKR Financial Holdings LLC                 | 7.375% | BBB  | 8,482,318  |

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**JPC Nuveen Preferred Income Opportunities Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Shares   | Description (1)                          | Coupon | Ratings (4) | Value        |
|--|--|--------|-------------|--------------|
| <b>Diversified Financial Services</b>              |  |        |             |              |
| (continued)  |  |        |             |              |
| 141,562  | Main Street Capital Corporation          | 6.125% | N/R         | \$ 3,683,443 |
| 125,300  | PennantPark Investment Corporation       | 6.250% | BBB         | 3,152,548    |
| Total Diversified Financial Services               |  |        |             | 16,117,991   |
| <b>Diversified Telecommunication Services 1.1%</b> |  |        |             |              |
| 135,165  | Qwest Corporation                        | 7.000% | BBB         | 3,531,861    |
| 178,815  | Qwest Corporation                        | 6.875% | BBB         | 4,777,937    |
| 70,600   | Qwest Corporation                        | 6.625% | BBB         | 1,844,778    |
| 53,900   | Verizon Communications Inc.              | 5.900% | A           | 1,499,498    |
| Total Diversified Telecommunication Services       |  |        |             | 11,654,074   |
| <b>Electric Utilities 0.3%</b>                     |  |        |             |              |
| 136,900  | Entergy Arkansas Inc., (2)               | 6.450% | Baa3        | 3,439,613    |
| <b>Food Products 3.7%</b>                          |  |        |             |              |
| 249,300  | CHS Inc.                                 | 7.875% | N/R         | 7,586,199    |
| 428,392  | CHS Inc.                                 | 7.100% | N/R         | 12,988,845   |
| 444,804  | CHS Inc., (5)                            | 6.750% | N/R         | 13,010,517   |
| 23,000   | Dairy Farmers of America Inc., 144A, (2) | 7.875% | Baa3        | 2,438,000    |
| 19,500   | Dairy Farmers of America Inc., 144A, (2) | 7.875% | Baa3        | 2,028,610    |
| Total Food Products                                |  |        |             | 38,052,171   |
| <b>Insurance 12.8%</b>                             |  |        |             |              |
| 45,878   | Aegon N.V                                | 8.000% | Baa1        | 1,249,258    |
| 392,846  | Arch Capital Group Limited               | 6.750% | BBB+        | 10,822,907   |
| 302,283  | Argo Group US Inc.                       | 6.500% | BBB         | 7,974,226    |
| 126,452  | Aspen Insurance Holdings Limited         | 7.250% | BBB         | 3,349,713    |
| 408,600  | Aspen Insurance Holdings Limited         | 5.950% | BBB         | 11,824,884   |
| 403,874  | Axis Capital Holdings Limited            | 6.875% | BBB         | 10,654,196   |
| 56,900   | Delphi Financial Group, Inc., (2)        | 7.376% | BB+         | 1,226,906    |
| 235,211  | Endurance Specialty Holdings Limited     | 6.350% | BBB         | 6,611,781    |
| 38,500   | Hanover Insurance Group                  | 6.350% | BB+         | 1,000,230    |
| 138,124  | Hartford Financial Services Group Inc.   | 7.875% | BBB         | 4,332,950    |
| 561,100  | Kemper Corporation                       | 7.375% | Ba1         | 15,654,690   |
| 298,139  | Maiden Holdings Limited                  | 8.250% | BB          | 7,957,330    |
| 67,000   | Maiden Holdings Limited                  | 6.625% | BBB         | 1,738,650    |
| 233,932  | Maiden Holdings NA Limited               | 8.000% | BBB         | 6,105,625    |
| 265,933  | Maiden Holdings NA Limited               | 7.750% | BBB         | 7,222,740    |
| 100,195  | National General Holding Company         | 7.625% | N/R         | 2,605,070    |
| 76,400   | National General Holding Company         | 7.500% | N/R         | 1,971,120    |
| 153,954  | National General Holding Company         | 7.500% | N/R         | 3,998,185    |
| 310,872  | Reinsurance Group of America Inc.        | 6.200% | BBB         | 9,525,118    |



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|         |   |              |      |             |
|---------|---|--------------|------|-------------|
| 361,700 | Reinsurance Group of America, Inc.        | 5.750%       | BBB  | 9,682,709   |
| 204,400 | Torchmark Corporation                     | 6.125%       | BBB+ | 5,441,128   |
|         | Total Insurance                           |              |      | 130,949,416 |
|         | <b>Oil, Gas &amp; Consumable Fuels</b>    | <b>0.8%</b>  |      |             |
| 206,105 | Nustar Logistics Limited Partnership      | 7.625%       | Ba2  | 5,245,372   |
| 40,113  | Scorpio Tankers Inc.                      | 7.500%       | N/R  | 1,032,910   |
| 76,005  | Scorpio Tankers Inc.                      | 6.750%       | N/R  | 1,876,563   |
|         | Total Oil, Gas & Consumable Fuels         |              |      | 8,154,845   |
|         | <b>Real Estate Investment Trust</b>       | <b>10.0%</b> |      |             |
| 112,344 | AG Mortgage Investment Trust              | 8.000%       | N/R  | 2,795,119   |
| 57,165  | Apartment Investment & Management Company | 6.875%       | BB   | 1,529,164   |
| 74,350  | Apollo Commercial Real Estate Finance     | 8.625%       | N/R  | 1,918,230   |
| 141,555 | Arbor Realty Trust Incorporated           | 7.375%       | N/R  | 3,619,561   |
| 133,192 | Ashford Hospitality Trust Inc.            | 9.000%       | N/R  | 3,357,770   |
| 37,399  | Ashford Hospitality Trust Inc.            | 8.450%       | N/R  | 954,796     |
| 64,615  | Capstead Mortgage Corporation             | 7.500%       | N/R  | 1,640,575   |
| 186,579 | Cedar Shopping Centers Inc., Series A     | 7.250%       | N/R  | 4,908,893   |

| Shares   | Description (1)                           | Coupon | Ratings (4) | Value        |
|--|---|--------|-------------|--------------|
| <b>Real Estate Investment Trust</b>                  |   |        |             |              |
| (continued)  |   |        |             |              |
| 208,314  | Chesapeake Lodging Trust                  | 7.750% | N/R         | \$ 5,501,573 |
| 79,861   | Colony Financial Inc.                     | 7.500% | N/R         | 2,030,865    |
| 97,520   | Colony Financial Inc.                     | 7.125% | N/R         | 2,408,744    |
| 23,967   | Colony Financial Inc.                     | 8.500% | N/R         | 625,059      |
| 50,200   | Coresite Realty Corporation               | 7.250% | N/R         | 1,327,790    |
| 270,925  | DDR Corporation                           | 6.500% | Baa3        | 6,992,574    |
| 182,479  | Digital Realty Trust Inc.                 | 7.375% | Baa3        | 5,218,899    |
| 59,270   | Digital Realty Trust Inc.                 | 7.000% | Baa3        | 1,509,607    |
| 258,495  | Dupont Fabros Technology                  | 6.625% | Ba2         | 7,268,879    |
| 70,136   | Hospitality Properties Trust              | 7.125% | Baa3        | 1,848,785    |
| 49,519   | Invesco Mortgage Capital Inc.             | 7.750% | N/R         | 1,261,249    |
| 133,675  | LaSalle Hotel Properties                  | 6.300% | N/R         | 3,607,888    |
| 111,053  | MFA Financial Inc.                        | 8.000% | N/R         | 2,846,288    |
| 182,859  | Northstar Realty Finance Corporation      | 8.875% | N/R         | 4,706,791    |
| 51,926   | Northstar Realty Finance Corporation      | 8.750% | N/R         | 1,319,959    |
| 121,633  | Northstar Realty Finance Corporation      | 8.250% | N/R         | 3,066,368    |
| 72,400   | Penn Real Estate Investment Trust         | 7.375% | N/R         | 1,911,360    |
| 200,000  | Penn Real Estate Investment Trust         | 8.250% | N/R         | 5,264,000    |
| 135,971  | Regency Centers Corporation               | 6.625% | Baa2        | 3,524,368    |
| 123,310  | Senior Housing Properties Trust, (5)      | 5.625% | BBB         | 3,164,135    |
| 57,203   | STAG Industrial Inc.                      | 9.000% | BB+         | 1,470,117    |
| 7,474  | Summit Hotel Properties Inc.              | 7.875% | N/R         | 199,855      |
| 133,525  | Sunstone Hotel Investors Inc.             | 6.950% | N/R         | 3,638,556    |
| 149,300  | Urstadt Biddle Properties                 | 7.125% | N/R         | 3,965,408    |
| 259,195  | VEREIT, Inc.                              | 6.700% | N/R         | 7,003,449    |
|  | Total Real Estate Investment Trust        |        |             | 102,406,674  |
| <b>Real Estate Management &amp; Development 0.3%</b> |   |        |             |              |
| 110,000  | Kennedy-Wilson Inc.                       | 7.750% | BB          | 2,888,600    |
| <b>Specialty Retail 0.8%</b>                         |   |        |             |              |
| 256,074  | TravelCenters of America LLC              | 8.000% | N/R         | 6,552,934    |
| 55,650   | TravelCenters of America LLC              | 8.000% | N/R         | 1,419,075    |
|  | Total Specialty Retail                    |        |             | 7,972,009    |
| <b>Thriffs &amp; Mortgage Finance 1.0%</b>           |   |        |             |              |
| 52,102   | Everbank Financial Corporation            | 6.750% | N/R         | 1,354,652    |
| 160,700  | Federal Agricultural Mortgage Corporation | 6.875% | N/R         | 4,462,639    |
| 143,400  | Federal Agricultural Mortgage Corporation | 6.000% | N/R         | 4,213,092    |
|  | Total Thriffs & Mortgage Finance          |        |             | 10,030,383   |
| <b>U.S. Agency 2.8%</b>                              |   |        |             |              |
| 260,300  | Farm Credit Bank of Texas, (2)            | 6.750% | Baa1        | 28,112,400   |

**Wireless Telecommunication Services 1.1%**

|         |   |        |  |     |             |
|---------|---|--------|--|-----|-------------|
| 391,199 | United States Cellular Corporation                                    | 7.250% |  | Ba1 | 10,695,381  |
|         | Total \$25 Par (or similar) Preferred Securities (cost \$571,233,818) |        |  |     | 620,309,073 |

| Shares | Description (1) | Coupon | Maturity | Ratings (4) | Value |
|--------|-----------------|--------|----------|-------------|-------|
|--------|-----------------|--------|----------|-------------|-------|

**CONVERTIBLE PREFERRED SECURITIES 1.6% (1.1% of Total Investments)**

**Banks 1.0%**

|       |                       |        |         |     |              |
|-------|-----------------------|--------|---------|-----|--------------|
| 7,225 | Wells Fargo & Company | 7.500% | N/A (6) | BBB | \$ 9,618,353 |
|-------|-----------------------|--------|---------|-----|--------------|

**Diversified Telecommunication Services 0.3%**

|        |                                     |         |         |     |           |
|--------|-------------------------------------|---------|---------|-----|-----------|
| 34,400 | Frontier Communications Corporation | 11.125% | 6/29/18 | N/R | 3,401,472 |
|--------|-------------------------------------|---------|---------|-----|-----------|

**Pharmaceuticals 0.3%**

|       |   |        |          |     |           |
|-------|---|--------|----------|-----|-----------|
| 3,725 | Teva Pharmaceutical Industries Limited, (2) | 7.000% | 12/15/18 | N/R | 3,298,488 |
|-------|---|--------|----------|-----|-----------|

|  |  |  |  |  |            |
|--|--|--|--|--|------------|
|  | Total Convertible Preferred Securities (cost \$14,990,802) |  |  |  | 16,318,313 |
|--|--|--|--|--|------------|

**JPC Nuveen Preferred Income Opportunities Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Principal Amount<br>(000)                                | Description (1)                                    | Coupon  | Maturity | Ratings (4) | Value        |
|--|--|---------|----------|-------------|--------------|
| <b>CORPORATE BONDS 12.4% (8.9% of Total Investments)</b> |  |         |          |             |              |
| <b>Banks 4.5%</b>  |  |         |          |             |              |
| \$ 6,000   | Bank of America Corporation                        | 6.250%  | N/A (6)  | BB+         | \$ 6,285,000 |
| 4,160  | Bank of America Corporation                        | 6.300%  | N/A (6)  | BB+         | 4,533,098    |
| 8,570  | Citigroup Inc.                                     | 5.950%  | N/A (6)  | BB+         | 8,824,529    |
| 7,985  | Citigroup Inc.                                     | 5.875%  | N/A (6)  | BB+         | 8,039,857    |
| 5,055  | ING Groep N.V, (7)                                 | 6.500%  | N/A (6)  | BBB         | 4,833,844    |
| 9,430  | JPMorgan Chase & Company                           | 5.300%  | N/A (6)  | BBB         | 9,708,185    |
| 3,550  | Standard Chartered PLC, 144A, (7)                  | 6.500%  | N/A (6)  | BBB         | 3,379,600    |
| 44,750   | Total Banks  |         |          |             | 45,604,113   |
| <b>Beverages 0.1%</b>                                    |  |         |          |             |              |
| 1,100  | Cott Beverages Inc., (3)                           | 6.750%  | 1/01/20  | B           | 1,153,625    |
| <b>Biotechnology 0.3%</b>                                |  |         |          |             |              |
| 3,500  | AMAG Pharmaceuticals Inc., 144A                    | 7.875%  | 9/01/23  | B+          | 3,389,750    |
| <b>Capital Markets 1.3%</b>                              |  |         |          |             |              |
| 2,050  | BGC Partners Inc.                                  | 5.375%  | 12/09/19 | BBB         | 2,163,648    |
| 11,100   | Goldman Sachs Group Inc.                           | 5.375%  | N/A (6)  | Ba1         | 11,269,885   |
| 13,150   | Total Capital Markets                              |         |          |             | 13,433,533   |
| <b>Chemicals 0.2%</b>                                    |  |         |          |             |              |
| 1,625  | CVR Partners LP / CVR Nitrogen Finance Corp., 144A | 9.250%  | 6/15/23  | B+          | 1,661,563    |
| <b>Commercial Services &amp; Supplies 0.5%</b>           |  |         |          |             |              |
| 1,520  | GFL Environmental Corporation, 144A                | 7.875%  | 4/01/20  | B           | 1,569,400    |
| 1,775  | GFL Environmental Corporation, 144A                | 9.875%  | 2/01/21  | B           | 1,925,875    |
| 1,580  | R.R. Donnelley & Sons Company, (3)                 | 6.500%  | 11/15/23 | BB          | 1,556,300    |
| 4,875  | Total Commercial Services & Supplies               |         |          |             | 5,051,575    |
| <b>Diversified Financial Services 0.3%</b>               |  |         |          |             |              |
| 3,170  | BNP Paribas, 144A, (7)                             | 7.625%  | N/A (6)  | BBB         | 3,293,630    |
| <b>Diversified Telecommunication Services 0.7%</b>       |  |         |          |             |              |
| 6,900  | Frontier Communications Corporation, (3)           | 11.000% | 9/15/25  | BB          | 7,374,375    |
| <b>Food Products 0.1%</b>                                |  |         |          |             |              |

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|   |  |        |          |     |           |
|---|--|--------|----------|-----|-----------|
| 1,310                                       | Land O Lakes Capital Trust I, 144A,<br>(3)       | 7.450% | 3/15/28  | BB+ | 1,408,250 |
| <b>Health Care Providers &amp; Services</b> |  |        |          |     |           |
| <b>0.1%</b>                                 |  |        |          |     |           |
| 1,565                                       | Kindred Healthcare Inc., (3)                     | 6.375% | 4/15/22  | B   | 1,443,713 |
| <b>Insurance 0.3%</b>                       |  |        |          |     |           |
| 2,430                                       | Security Benefit Life Insurance<br>Company, 144A | 7.450% | 10/01/33 | BBB | 2,894,412 |
| <b>Machinery 0.6%</b>                       |  |        |          |     |           |
| 3,200                                       | Dana Financing Luxembourg Sarl,<br>144A          | 6.500% | 6/01/26  | BB+ | 3,280,000 |
| 2,703                                       | Meritor Inc.                                     | 6.750% | 6/15/21  | B+  | 2,594,880 |
| 5,903                                       | Total Machinery                                  |        |          |     | 5,874,880 |
| <b>Media 0.7%</b>                           |  |        |          |     |           |
| 5,350                                       | Dish DBS Corporation, 144A                       | 7.750% | 7/01/26  | Ba3 | 5,547,281 |
| 1,470                                       | Dish DBS Corporation                             | 5.875% | 11/15/24 | Ba3 | 1,418,550 |
| 6,820                                       | Total Media                                      |        |          |     | 6,965,831 |
| <b>Real Estate Investment Trust 0.4%</b>    |  |        |          |     |           |
| 3,525                                       | Communications Sales & Leasing Inc.              | 8.250% | 10/15/23 | BB  | 3,599,905 |

| Principal Amount (000)                                     | Description (1)                            | Coupon  | Maturity | Ratings (4) | Value        |
|--|--|---------|----------|-------------|--------------|
| <b>Real Estate Management &amp; Development 0.3%</b>       |  |         |          |             |              |
| \$ 3,200   | Greystar Real Estate Partners, LLC, 144A   | 8.250%  | 12/01/22 | BB          | \$ 3,398,016 |
| <b>Specialty Retail 0.7%</b>                               |  |         |          |             |              |
| 6,450  | L Brands, Inc.                             | 6.875%  | 11/01/35 | BB+         | 6,840,225    |
| <b>Technology Hardware, Storage &amp; Peripherals 0.5%</b> |  |         |          |             |              |
| 4,100  | Western Digital Corporation, 144A          | 10.500% | 4/01/24  | BB+         | 4,622,750    |
| <b>Wireless Telecommunication Services 0.8%</b>            |  |         |          |             |              |
| 1,925  | Altice Financing SA, 144A                  | 7.500%  | 5/15/26  | BB          | 1,944,250    |
| 5,875  | Viacom Inc.                                | 6.875%  | 4/30/36  | BBB+        | 6,748,213    |
| 7,800  | Total Wireless Telecommunication Services  |         |          |             | 8,692,463    |
| \$ 122,173   | Total Corporate Bonds (cost \$122,674,607) |         |          |             | 126,702,609  |

| Principal Amount (000)/ Shares   | Description (1)  | Coupon  | Maturity | Ratings (4) | Value        |
|--|--|---------|----------|-------------|--------------|
| <b>\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED (42.5% of Total Investments) 59.3%</b> |  |         |          |             |              |
| <b>Banks 23.4%</b>   |  |         |          |             |              |
| \$ 2,320   | Australia and New Zealand Banking Group Limited of the United Kingdom, 144A, (7) | 6.750%  | N/A (6)  | Baa1        | \$ 2,522,357 |
| 2,000  | Banco Bilbao Vizcaya Argentaria S.A, Reg S, (7)                                  | 9.000%  | N/A (6)  | BB          | 2,065,000    |
| 600  | Banco Santander SA, Reg S, (7)   | 6.375%  | N/A (6)  | Ba1         | 548,090      |
| 1,476  | Bank of America Corporation  | 8.000%  | N/A (6)  | BB+         | 1,499,808    |
| 19,390   | Bank of America Corporation, (5)   | 6.500%  | N/A (6)  | BB+         | 21,171,455   |
| 3,575  | Barclays Bank PLC, 144A, (3)   | 10.180% | 6/12/21  | A           | 4,569,561    |
| 15,935   | Barclays PLC, (7)  | 8.250%  | N/A (6)  | BB+         | 16,213,863   |
| 2,925  | Citigroup Inc., (5)  | 5.800%  | N/A (6)  | BB+         | 2,925,000    |
| 4,005  | Citigroup Inc.   | 6.250%  | N/A (6)  | BB+         | 4,315,388    |
| 7,805  | Citigroup Inc.   | 6.125%  | N/A (6)  | BB+         | 8,115,483    |
| 7,214  | Citizens Financial Group Inc.  | 5.500%  | N/A (6)  | BB+         | 7,105,790    |
| 7,790  | Cobank Agricultural Credit Bank  | 6.250%  | N/A (6)  | BBB+        | 8,431,499    |
| 3,960  | Commerzbank AG, 144A, (3)  | 8.125%  | 9/19/23  | BBB         | 4,607,183    |
| 2,465  | Credit Agricole SA, 144A, (7)  | 8.125%  | N/A (6)  | Ba1         | 2,594,413    |
| 3,950  | Credit Agricole, S.A, 144A, (7)  | 6.625%  | N/A (6)  | Ba1         | 3,764,350    |
| 1,000  | HSBC Bank PLC  | 1.188%  | N/A (6)  | A3          | 571,250      |

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|        |                                       |         |         |      |             |
|--------|---------------------------------------|---------|---------|------|-------------|
| 500    | HSBC Bank PLC                         | 0.975%  | N/A (6) | A3   | 293,500     |
| 4,204  | HSBC Capital Funding LP, Debt, 144A   | 10.176% | N/A (6) | Baa1 | 6,179,880   |
| 3,615  | HSBC Holdings PLC, (7)                | 6.875%  | N/A (6) | BBB  | 3,723,450   |
| 10,175 | Intesa Sanpaolo SpA, 144A, (7)        | 7.700%  | N/A (6) | Ba3  | 9,233,813   |
| 4,700  | JPMorgan Chase & Company              | 7.900%  | N/A (6) | BBB  | 4,888,000   |
| 19,230 | JPMorgan Chase & Company              | 6.750%  | N/A (6) | BBB  | 21,655,864  |
| 125    | JPMorgan Chase & Company              | 6.100%  | N/A (6) | BBB  | 132,969     |
| 20,390 | Lloyds Banking Group PLC, (7)         | 7.500%  | N/A (6) | BB+  | 20,339,024  |
| 1,960  | M&T Bank Corporation                  | 6.450%  | N/A (6) | Baa2 | 2,180,500   |
| 4,000  | Nordea Bank AB, 144A, (7)             | 6.125%  | N/A (6) | BBB  | 3,960,000   |
| 10,695 | PNC Financial Services Inc.           | 6.750%  | N/A (6) | Baa2 | 12,018,506  |
| 4,883  | Royal Bank of Scotland Group PLC      | 7.648%  | N/A (6) | BB   | 5,725,318   |
| 3,325  | Royal Bank of Scotland Group PLC, (7) | 7.500%  | N/A (6) | BB   | 3,233,563   |
| 13,906 | Societe Generale, 144A, (7)           | 7.875%  | N/A (6) | BB+  | 13,210,700  |
| 4,995  | SunTrust Bank Inc.                    | 5.625%  | N/A (6) | Baa3 | 5,157,338   |
| 250    | U.S. Bancorp.                         | 5.125%  | N/A (6) | A3   | 262,815     |
| 3,750  | Wachovia Capital Trust III            | 5.570%  | N/A (6) | BBB  | 3,750,000   |
| 8,641  | Wells Fargo & Company, (5)            | 7.980%  | N/A (6) | BBB  | 9,190,136   |
| 17,350 | Wells Fargo & Company                 | 5.875%  | N/A (6) | BBB  | 19,106,687  |
| 3,450  | Zions Bancorporation                  | 7.200%  | N/A (6) | BB   | 3,639,750   |
|        | Total Banks                           |         |         |      | 238,902,303 |

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**JPC Nuveen Preferred Income Opportunities Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Principal Amount (000)/ Shares             | Description (1)                               | Coupon  | Maturity | Ratings (4) | Value        |
|--|---|---------|----------|-------------|--------------|
| <b>Capital Markets 3.5%</b>                |   |         |          |             |              |
| \$ 3,270                                   | Bank of New York Mellon Corporation           | 4.950%  | N/A (6)  | Baa1        | \$ 3,335,400 |
| 8,920                                      | Credit Suisse Group AG, 144A, (7)             | 7.500%  | N/A (6)  | BB          | 9,232,200    |
| 3,790                                      | Goldman Sachs Group Inc.                      | 5.300%  | N/A (6)  | Ba1         | 3,851,588    |
| 5,880                                      | Morgan Stanley                                | 5.550%  | N/A (6)  | Ba1         | 5,953,500    |
| 1,975                                      | State Street Corporation                      | 5.250%  | N/A (6)  | Baa1        | 2,073,750    |
| 7,055                                      | UBS Group AG, Reg S, (7)                      | 7.125%  | N/A (6)  | BB+         | 7,235,961    |
| 3,675                                      | UBS Group AG, Reg S, (7)                      | 7.000%  | N/A (6)  | BB+         | 3,922,599    |
|  | Total Capital Markets                         |         |          |             | 35,604,998   |
| <b>Consumer Finance 2.0%</b>               |   |         |          |             |              |
| 5,271                                      | American Express Company                      | 5.200%  | N/A (6)  | Baa2        | 5,178,758    |
| 1,900                                      | American Express Company                      | 4.900%  | N/A (6)  | Baa2        | 1,833,500    |
| 13,730                                     | Capital One Financial Corporation             | 5.550%  | N/A (6)  | Baa3        | 13,925,653   |
|  | Total Consumer Finance                        |         |          |             | 20,937,911   |
| <b>Diversified Financial Services 4.2%</b> |   |         |          |             |              |
| 14,800                                     | Agstar Financial Services Inc., 144A          | 6.750%  | N/A (6)  | BB          | 15,701,874   |
| 4,065                                      | BNP Paribas, 144A, (7)                        | 7.375%  | N/A (6)  | BBB         | 4,146,300    |
| 5,670                                      | BNP Paribas, 144A                             | 7.195%  | N/A (6)  | BBB         | 6,278,816    |
| 2,300                                      | Depository Trust & Clearing Corporation, 144A | 4.875%  | N/A (6)  | A+          | 2,328,750    |
| 10,243                                     | Rabobank Nederland, 144A                      | 11.000% | N/A (6)  | Baa2        | 12,522,067   |
| 1,530                                      | Voya Financial Inc., (3)                      | 5.650%  | 5/15/53  | Baa3        | 1,476,450    |
|  | Total Diversified Financial Services          |         |          |             | 42,454,257   |
| <b>Electric Utilities 1.7%</b>             |   |         |          |             |              |
| 16,265                                     | Emera, Inc., (3)                              | 6.750%  | 6/15/76  | BBB         | 17,529,604   |
| <b>Food Products 3.1%</b>                  |   |         |          |             |              |
| 23,545                                     | Land O Lakes Incorporated, 144A               | 8.000%  | N/A (6)  | BB          | 24,781,113   |
| 6,750                                      | Land O Lakes Inc., 144A                       | 8.000%  | N/A (6)  | BB          | 7,104,375    |
|  | Total Food Products                           |         |          |             | 31,885,488   |
| <b>Industrial Conglomerates 4.1%</b>       |   |         |          |             |              |
| 39,281                                     | General Electric Company, (5)                 | 5.000%  | N/A (6)  | AA          | 42,251,626   |
| <b>Insurance 14.5%</b>                     |   |         |          |             |              |
| 7,365                                      | Aviva PLC, Reg S                              | 8.250%  | N/A (6)  | BBB         | 7,947,792    |
| 1,205                                      | AXA SA, (3)                                   | 8.600%  | 12/15/30 | A3          | 1,694,013    |



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|        |  |        |          |      |             |
|--------|--|--------|----------|------|-------------|
| 2,460  | Cloverie PLC Zurich Insurance, Reg S             | 8.250% | N/A (6)  | A    | 2,659,924   |
| 2,300  | CNP Assurances, Reg S                            | 7.500% | N/A (6)  | BBB+ | 2,480,320   |
| 29,045 | Financial Security Assurance Holdings, 144A, (3) | 6.400% | 12/15/66 | BBB+ | 20,767,174  |
| 1,755  | Friends Life Group PLC, Reg S                    | 7.875% | N/A (6)  | A    | 1,908,375   |
| 2,108  | La Mondiale SAM, Reg S                           | 7.625% | N/A (6)  | BBB  | 2,261,252   |
| 6,590  | Liberty Mutual Group, 144A, (3)                  | 7.800% | 3/15/37  | Baa3 | 7,331,375   |
| 9,335  | MetLife Capital Trust IV, 144A, (3)              | 7.875% | 12/15/37 | BBB  | 11,570,733  |
| 4,160  | MetLife Capital Trust X, 144A, (3)               | 9.250% | 4/08/38  | BBB  | 5,943,600   |
| 3,425  | MetLife Inc.                                     | 5.250% | N/A (6)  | BBB  | 3,427,740   |
| 1,150  | Nationwide Financial Services Capital Trust, (3) | 7.899% | 3/01/37  | Baa2 | 1,378,994   |
| 9,550  | Nationwide Financial Services Inc., (3)          | 6.750% | 5/15/37  | Baa2 | 9,884,250   |
| 6,855  | Provident Financing Trust I, (3)                 | 7.405% | 3/15/38  | Baa3 | 7,705,226   |
| 3,315  | Prudential Financial Inc., (3)                   | 5.875% | 9/15/42  | BBB+ | 3,673,849   |
| 13,335 | QBE Cap Funding III Limited, 144A, (3)           | 7.250% | 5/24/41  | BBB  | 14,868,524  |
| 2,340  | QBE Insurance Group Limited, Reg S               | 6.750% | 12/02/44 | BBB  | 2,571,075   |
| 18,955 | Sirius International Group Limited, 144A         | 7.506% | N/A (6)  | BB+  | 19,026,081  |
| 20,553 | Symetra Financial Corporation, 144A, (3)         | 8.300% | 10/15/37 | Baa2 | 20,835,604  |
|        | Total Insurance                                  |        |          |      | 147,935,901 |
|        | <b>Machinery 0.2%</b>                            |        |          |      |             |
| 2,215  | Stanley Black & Decker Inc., (3)                 | 5.750% | 12/15/53 | BBB+ | 2,354,102   |

| Principal Amount (000)/ Shares | Description (1)   | Coupon  | Maturity | Ratings (4) | Value                |
|--------------------------------|---|---------|----------|-------------|----------------------|
|                                | <b>Metals &amp; Mining 0.6%</b>   |         |          |             |                      |
| \$ 5,825                       | BHP Billiton Finance USA Limited, 144A                                      | 6.250%  | 10/19/75 | A           | \$ 6,305,563         |
|                                | <b>Real Estate Investment Trust 1.5%</b>                                    |         |          |             |                      |
| 12                             | Sovereign Real Estate Investment Trust, 144A                                | 12.000% | N/A (6)  | Ba1         | 14,865,350           |
|                                | <b>Specialty Retail 0.3%</b>  |         |          |             |                      |
| 2,650                          | Aquarius & Investments PLC fbo SwissRe, Reg S                               | 8.250%  | N/A (6)  | N/R         | 2,864,101            |
|                                | <b>U.S. Agency 0.2%</b>   |         |          |             |                      |
| 1,700                          | Farm Credit Bank of Texas   | 10.000% | N/A (6)  | Baa1        | 2,040,000            |
|                                | Total \$1,000 Par (or similar) Institutional Preferred (cost \$578,614,273) |         |          |             | 605,931,204          |
|                                | <b>Total Long-Term Investments (cost \$1,338,041,220)</b>                   |         |          |             | <b>1,421,254,855</b> |

| Principal Amount (000) | Description (1)   | Coupon | Maturity | Value                   |
|------------------------|---|--------|----------|-------------------------|
|                        | <b>SHORT TERM INVESTMENTS 0.6% (0.4% of Total Investments)</b>  |        |          |                         |
|                        | <b>REPURCHASE AGREEMENTS 0.6% (0.4% of Total Investments)</b>   |        |          |                         |
| \$ 6,077               | Repurchase Agreement with Fixed Income Clearing Corporation dated 7/29/16, repurchase price \$6,077,133, collateralized by \$4,635,000 U.S. Treasury Bonds, 3.750%, due 11/15/43, value \$6,205,106 | 0.030% | 8/01/16  | \$ 6,077,118            |
|                        | <b>Total Short-Term Investments (cost \$6,077,118)</b>  |        |          | <b>6,077,118</b>        |
|                        | <b>Total Investments (cost \$1,344,118,338) 139.8%</b>  |        |          | <b>1,427,331,973</b>    |
|                        | <b>Borrowings (39.6)% (8), (9)</b>  |        |          | <b>(404,100,000)</b>    |
|                        | <b>Other Assets Less Liabilities (0.2)% (10)</b>  |        |          | <b>(2,515,296)</b>      |
|                        | <b>Net Assets Applicable to Common Shares 100%</b>  |        |          | <b>\$ 1,020,716,677</b> |

Investments in Derivatives as of July 31, 2016

**Call Options Written**

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| Number of Contracts | Description                  | Notional Amount (\$) | Expiration Date | Strike Price | Value        |
|---------------------|------------------------------|----------------------|-----------------|--------------|--------------|
| (488)               | CIT Group Inc.               | \$ (1,805,600)       | 10/21/16        | \$ 37        | \$ (37,576)  |
| (413)               | Nordstrom, Inc.              | (1,858,500)          | 10/21/16        | 45           | (90,034)     |
| (559)               | Unum Group                   | (2,012,400)          | 9/16/16         | 36           | (20,963)     |
|                     | Total Call Options Written   |                      |                 |              |              |
| (1,460)             | (premium received \$156,444) | \$ (5,676,500)       |                 |              | \$ (148,573) |

**Interest Rate Swaps**

| Counterparty              | Notional Amount | Fund Pay/Receive Floating Rate | Floating Rate Index   | Fixed Rate (Annualized) | Fixed Rate Payment Frequency | Effective Date (12) | Optional Termination Date | Termination Date | Value          |
|---------------------------|-----------------|--------------------------------|-----------------------|-------------------------|------------------------------|---------------------|---------------------------|------------------|----------------|
| JPMorgan Chase Bank, N.A. | \$ 114,296,000  | Receive                        | 1-Month USD-LIBOR-ICE | 1.462%                  | Monthly                      | 1/03/17             | 12/01/18                  | 12/01/20         | \$ (3,127,100) |
| JPMorgan Chase Bank, N.A. | 114,296,000     | Receive                        | 1-Month USD-LIBOR-ICE | 1.842                   | Monthly                      | 1/03/17             | 12/01/20                  | 12/01/22         | (6,428,000)    |
|                           | \$ 228,592,000  |                                |                       |                         |                              |                     |                           |                  | \$ (9,555,100) |

**JPC Nuveen Preferred Income Opportunities Fund**  
**Portfolio of Investments** (continued)

**July 31, 2016**

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) For fair value measurement disclosure purposes, investment classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.
- (3) Investment, or a portion of investment, is hypothecated as described in the Notes to Financial Statements, Note 8 Borrowing Arrangements, Rehypothecation. The total value of investments hypothecated as of the end of the reporting period was \$144,435,630.
- (4) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
- (6) Perpetual security. Maturity date is not applicable.
- (7) Contingent Capital Securities (CoCos) are debt or preferred securities with loss absorption characteristics built into the terms of the security for the benefit of the issuer, for example an automatic write-down of principal or a mandatory conversion into the issuer's common stock under certain adverse circumstances, such as the issuer's capital ratio falling below a specified level. As of the end of the reporting period, the Fund's total investment in CoCos was \$117,452,757, representing 11.5% and 8.2% of Net Assets Applicable to Common Shares and Total Investments, respectively.
- (8)

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The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings. As of the end of the reporting period, investments with a value of \$922,688,853 have been pledged as collateral for borrowings.

- (9) Borrowings as a percentage of Total Investments is 28.3%.
- (10) Other assets less liabilities includes the unrealized appreciation (depreciation) of certain over-the-counter ( OTC ) derivatives as presented on the Statement of Assets and Liabilities, when applicable. The unrealized appreciation (depreciation) of OTC-cleared and exchange-traded derivatives is recognized as part of the cash collateral at brokers and/or the receivable or payable for variation margin as presented on the Statement of Assets and Liabilities, when applicable. Other assets less liabilities also includes the value of options as presented on the Statement of Assets and Liabilities.
- (11) For disclosure purposes, Notional Amount is calculated by multiplying the Number of Contracts by the Strike Price by 100.
- (12) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each contract.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.
- Reg S Regulation S allows U.S. companies to sell securities to persons or entities located outside of the United States without registering those securities with the Securities and Exchange Commission. Specifically, Regulation S provides a safe harbor from the registration requirements of the Securities Act for the offers and sales of securities by both foreign and domestic issuers that are made outside the United States.
- ADR American Depositary Receipt
- REIT Real Estate Investment Trust

USD-LIBOR-ICE United States Dollar London Inter-Bank Offered Rate Intercontinental Exchange

*See accompanying notes to financial statements.*

## JPI

Nuveen Preferred and Income Term Fund  
Portfolio of Investments

July 31, 2016

| Shares   | Description (1)                      | Coupon | Ratings (2) | Value         |
|--|--------------------------------------|--------|-------------|---------------|
| <b>LONG-TERM INVESTMENTS 139.6% (100.0% of Total Investments)</b>                |                                      |        |             |               |
| <b>\$25 PAR (OR SIMILAR) RETAIL PREFERRED 44.7% (32.0% of Total Investments)</b> |                                      |        |             |               |
| <b>Banks 14.1%</b>   |                                      |        |             |               |
| 143,400  | AgriBank FCB, (3)                    | 6.875% | BBB+        | \$ 15,482,726 |
| 355,166  | Citigroup Inc.                       | 7.125% | BB+         | 10,683,393    |
| 44,969   | Citigroup Inc.                       | 6.875% | BB+         | 1,338,727     |
| 163,800  | Cobank Agricultural Credit Bank, (3) | 6.250% | BBB+        | 16,953,300    |
| 40,797   | Cobank Agricultural Credit Bank, (3) | 6.200% | BBB+        | 4,162,571     |
| 15,100   | Countrywide Capital Trust III        | 7.000% | BBB         | 384,446       |
| 117,900  | Fifth Third Bancorp.                 | 6.625% | Baa3        | 3,656,079     |
| 157,500  | Huntington BancShares Inc.           | 6.250% | Baa3        | 4,364,325     |
| 38,600   | PNC Financial Services               | 6.125% | Baa2        | 1,170,352     |
| 124,753  | Private Bancorp Incorporated         | 7.125% | N/R         | 3,272,271     |
| 87,100   | Regions Financial Corporation        | 6.375% | BB          | 2,344,732     |
| 331,800  | Regions Financial Corporation        | 6.375% | BB          | 9,602,292     |
| 19,600   | U.S. Bancorp.                        | 6.500% | A3          | 601,132       |
| 114,600  | Wells Fargo REIT                     | 6.375% | BBB+        | 3,187,026     |
| 46,410   | Zions Bancorporation                 | 6.300% | BB          | 1,419,682     |
|  | Total Banks                          |        |             | 78,623,054    |
| <b>Capital Markets 4.8%</b>  |                                      |        |             |               |
| 94,900   | Goldman Sachs Group, Inc.            | 5.500% | Ba1         | 2,568,943     |
| 461,300  | Morgan Stanley                       | 7.125% | Ba1         | 13,912,807    |
| 235,300  | Morgan Stanley                       | 6.875% | Ba1         | 6,941,350     |
| 71,300   | Northern Trust Corporation           | 5.850% | BBB+        | 1,970,732     |
| 54,750   | State Street Corporation             | 5.350% | Baa1        | 1,514,933     |
|  | Total Capital Markets                |        |             | 26,908,765    |
| <b>Consumer Finance 1.4%</b>   |                                      |        |             |               |
| 149,800  | Discover Financial Services          | 6.500% | BB          | 3,993,668     |
| 156,285  | GMAC Capital Trust I                 | 8.125% | B+          | 3,972,765     |
|  | Total Consumer Finance               |        |             | 7,966,433     |
| <b>Diversified Financial Services 0.3%</b>                                       |                                      |        |             |               |
| 71,600   | KKR Financial Holdings LLC           | 7.375% | BBB         | 1,883,796     |
| <b>Electric Utilities 0.4%</b>   |                                      |        |             |               |
| 81,000   | Entergy Arkansas Inc., (3)           | 6.450% | Baa3        | 2,035,125     |
| <b>Food Products 3.9%</b>  |                                      |        |             |               |
| 267,600  | CHS Inc.                             | 7.875% | N/R         | 8,143,068     |

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|         |  |        |      |            |
|---------|--|--------|------|------------|
| 161,100 | CHS Inc.                                 | 7.100% | N/R  | 4,884,552  |
| 141,800 | CHS Inc.                                 | 6.750% | N/R  | 4,147,650  |
| 24,000  | Dairy Farmers of America Inc., 144A, (3) | 7.875% | Baa3 | 2,544,000  |
| 20,500  | Dairy Farmers of America Inc., 144A, (3) | 7.875% | Baa3 | 2,132,642  |
|         | Total Food Products                      |        |      | 21,851,912 |
|         | <b>Insurance 12.3%</b>                   |        |      |            |
| 14,421  | Aegon N.V                                | 8.000% | Baa1 | 392,684    |
| 168,500 | Arch Capital Group Limited               | 6.750% | BBB+ | 4,642,175  |
| 59,200  | Aspen Insurance Holdings Limited         | 7.250% | BBB  | 1,568,208  |
| 432,500 | Aspen Insurance Holdings Limited         | 5.950% | BBB  | 12,516,550 |
| 177,623 | Axis Capital Holdings Limited            | 6.875% | BBB  | 4,685,695  |
| 61,100  | Delphi Financial Group, Inc., (3)        | 7.376% | BB+  | 1,317,469  |
| 147,600 | Hartford Financial Services Group Inc.   | 7.875% | BBB  | 4,630,212  |
| 395,100 | Kemper Corporation                       | 7.375% | Ba1  | 11,023,290 |
| 323,546 | Maiden Holdings Limited                  | 8.250% | BB   | 8,635,443  |

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**JPI Nuveen Preferred and Income Term Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Shares   | Description (1)  | Coupon        | Ratings (2)     | Value              |                   |
|--|--|---------------|-----------------|--------------------|-------------------|
| <b>Insurance (continued)</b>                             |  |               |                 |                    |                   |
| 163,333  | Maiden Holdings NA Limited   | 7.750%        | BBB             | \$ 4,436,124       |                   |
| 205,000  | Reinsurance Group of America Inc.  | 6.200%        | BBB             | 6,281,200          |                   |
| 239,900  | Reinsurance Group of America, Inc.                                       | 5.750%        | BBB             | 6,422,123          |                   |
| 74,800   | Torchmark Corporation  | 6.125%        | BBB+            | 1,991,176          |                   |
|  | <b>Total Insurance</b>   |               |                 | <b>68,542,349</b>  |                   |
| <b>Oil, Gas &amp; Consumable Fuels</b>                   |  |               |                 |                    |                   |
| <b>1.0%</b>  |  |               |                 |                    |                   |
| 219,800  | Nustar Logistics Limited Partnership                                     | 7.625%        | Ba2             | 5,593,910          |                   |
| <b>Thrifts &amp; Mortgage Finance</b>                    |  |               |                 |                    |                   |
| <b>1.6%</b>  |  |               |                 |                    |                   |
| 172,400  | Federal Agricultural Mortgage Corporation                                | 6.875%        | N/R             | 4,787,548          |                   |
| 146,600  | Federal Agricultural Mortgage Corporation                                | 6.000%        | N/R             | 4,307,108          |                   |
|  | <b>Total Thrifts &amp; Mortgage Finance</b>                              |               |                 | <b>9,094,656</b>   |                   |
| <b>U.S. Agency 4.9%</b>                                  |  |               |                 |                    |                   |
| 255,100  | Farm Credit Bank of Texas, (3)   | 6.750%        | Baa1            | 27,550,800         |                   |
|  | <b>Total \$25 Par (or similar) Retail Preferred (cost \$228,651,492)</b> |               |                 | <b>250,050,800</b> |                   |
| <b>Principal Amount (000)</b>                            | <b>Description (1)</b>   | <b>Coupon</b> | <b>Maturity</b> | <b>Ratings (2)</b> | <b>Value</b>      |
| <b>CORPORATE BONDS 10.9% (7.8% of Total Investments)</b> |  |               |                 |                    |                   |
| <b>Banks 7.3%</b>  |  |               |                 |                    |                   |
| \$ 6,330   | Bank of America Corporation  | 6.250%        | N/A (4)         | BB+                | \$ 6,630,675      |
| 2,850  | Bank of America Corporation  | 6.300%        | N/A (4)         | BB+                | 3,105,608         |
| 5,390  | ING Groep N.V, (5)   | 6.500%        | N/A (4)         | BBB                | 5,154,188         |
| 12,110   | JPMorgan Chase & Company   | 6.750%        | N/A (4)         | BBB                | 13,637,676        |
| 9,955  | JPMorgan Chase & Company   | 5.300%        | N/A (4)         | BBB                | 10,248,673        |
| 2,110  | M&T Bank Corporation   | 6.450%        | N/A (4)         | Baa2               | 2,347,375         |
| 38,745   | <b>Total Banks</b>   |               |                 |                    | <b>41,124,195</b> |
| <b>Capital Markets 2.1%</b>                              |  |               |                 |                    |                   |
| 11,735   | Goldman Sachs Group Inc.   | 5.375%        | N/A (4)         | Ba1                | 11,914,603        |
| <b>Diversified Financial Services</b>                    |  |               |                 |                    |                   |
| <b>0.6%</b>  |  |               |                 |                    |                   |
| 3,360  | BNP Paribas, 144A, (5)   | 7.625%        | N/A (4)         | BBB                | 3,491,040         |
| <b>Food Products 0.3%</b>                                |  |               |                 |                    |                   |
| 1,410  |  | 7.450%        | 3/15/28         | BB+                | 1,515,750         |



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|    |  |  |        |          |               |
|----|--|--|--------|----------|---------------|
|    | Land O Lakes Capital Trust I,<br>144A, (6) |  |        |          |               |
|    | <b>Insurance 0.6%</b>                      |  |        |          |               |
|    | 2,600                                      | Security Benefit Life Insurance<br>Company, 144A | 7.450% | 10/01/33 | BBB 3,096,902 |
| \$ | 57,850                                     | Total Corporate Bonds (cost<br>\$58,604,955)     |        |          | 61,142,490    |

| Principal<br>Amount (000)/<br>Shares | Description (1)  | Coupon   | Maturity | Ratings (2)                  | Value             |
|--------------------------------------|--|--|----------|------------------------------|-------------------|
|                                      | <b>\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED<br/>Investments)</b> |  |          | <b>84.0% (60.2% of Total</b> |                   |
|                                      | <b>Banks 32.0%</b>   |  |          |                              |                   |
| \$                                   | 2,450  | Australia and New Zealand<br>Banking Group Limited of the<br>United Kingdom, 144A, (5) | 6.750%   | N/A (4)                      | Baa1 \$ 2,663,696 |
|                                      | 2,200  | Banco Bilbao Vizcaya Argentaria<br>S.A, Reg S, (5)                                     | 9.000%   | N/A (4)                      | BB 2,271,500      |
|                                      | 600  | Banco Santander SA, Reg S, (5)   | 6.375%   | N/A (4)                      | Ba1 548,090       |
|                                      | 1,557  | Bank of America Corporation  | 8.000%   | N/A (4)                      | BB+ 1,582,114     |
|                                      | 6,125  | Bank of America Corporation  | 6.500%   | N/A (4)                      | BB+ 6,687,734     |
|                                      | 4,000  | Barclays Bank PLC, 144A  | 10.180%  | 6/12/21                      | A 5,112,796       |
|                                      | 16,080   | Barclays PLC, (5)  | 8.250%   | N/A (4)                      | BB+ 16,361,400    |

| Principal Amount (000)/<br>Shares | Description (1)                            | Coupon  | Maturity | Ratings (2) | Value       |
|-----------------------------------|--|---------|----------|-------------|-------------|
| <b>Banks (continued)</b>          |  |         |          |             |             |
| \$ 325                            | Citigroup Inc.                             | 6.250%  | N/A (4)  | BB+         | \$ 350,188  |
| 8,120                             | Citigroup Inc.                             | 6.125%  | N/A (4)  | BB+         | 8,443,014   |
| 8,435                             | Citigroup Inc.                             | 5.875%  | N/A (4)  | BB+         | 8,492,948   |
| 4,540                             | Citizens Financial Group Inc.              | 5.500%  | N/A (4)  | BB+         | 4,471,900   |
| 4,895                             | Cobank Agricultural Credit Bank            | 6.250%  | N/A (4)  | BBB+        | 5,298,098   |
| 4,265                             | Commerzbank AG, 144A                       | 8.125%  | 9/19/23  | BBB         | 4,962,029   |
| 2,490                             | Credit Agricole SA, 144A, (5)              | 8.125%  | N/A (4)  | Ba1         | 2,620,725   |
| 4,250                             | Credit Agricole, S.A, 144A, (5)            | 6.625%  | N/A (4)  | Ba1         | 4,050,250   |
| 4,351                             | HSBC Capital Funding LP, Debt, 144A        | 10.176% | N/A (4)  | Baa1        | 6,395,970   |
| 3,790                             | HSBC Holdings PLC, (5)                     | 6.875%  | N/A (4)  | BBB         | 3,903,700   |
| 7,485                             | Intesa Sanpaolo SpA, 144A, (5)             | 7.700%  | N/A (4)  | Ba3         | 6,792,638   |
| 21,445                            | Lloyds Banking Group PLC, (5)              | 7.500%  | N/A (4)  | BB+         | 21,391,387  |
| 4,390                             | Nordea Bank AB, 144A, (5)                  | 6.125%  | N/A (4)  | BBB         | 4,346,100   |
| 4,855                             | PNC Financial Services Inc.                | 6.750%  | N/A (4)  | Baa2        | 5,455,806   |
| 5,473                             | Royal Bank of Scotland Group PLC           | 7.648%  | N/A (4)  | BB          | 6,417,093   |
| 3,435                             | Royal Bank of Scotland Group PLC, (5)      | 7.500%  | N/A (4)  | BB          | 3,340,538   |
| 14,900                            | Societe Generale, 144A, (5)                | 7.875%  | N/A (4)  | BB+         | 14,155,000  |
| 3,790                             | Standard Chartered PLC, 144A, (5)          | 6.500%  | N/A (4)  | BBB         | 3,608,080   |
| 2,695                             | SunTrust Bank Inc.                         | 5.625%  | N/A (4)  | Baa3        | 2,782,588   |
| 270                               | U.S. Bancorp.                              | 5.125%  | N/A (4)  | A3          | 283,840     |
| 4,010                             | Wachovia Capital Trust III                 | 5.570%  | N/A (4)  | BBB         | 4,010,000   |
| 9,182                             | Wells Fargo & Company                      | 7.980%  | N/A (4)  | BBB         | 9,765,516   |
| 11,675                            | Wells Fargo & Company                      | 5.875%  | N/A (4)  | BBB         | 12,857,094  |
|                                   | Total Banks                                |         |          |             | 179,421,832 |
|                                   | <b>Capital Markets 5.9%</b>                |         |          |             |             |
| 3,500                             | Bank of New York Mellon Corporation        | 4.950%  | N/A (4)  | Baa1        | 3,570,000   |
| 9,407                             | Credit Suisse Group AG, 144A, (5)          | 7.500%  | N/A (4)  | BB          | 9,736,245   |
| 2,380                             | Goldman Sachs Group Inc.                   | 5.300%  | N/A (4)  | Ba1         | 2,418,675   |
| 3,100                             | Morgan Stanley                             | 5.550%  | N/A (4)  | Ba1         | 3,138,750   |
| 2,105                             | State Street Corporation                   | 5.250%  | N/A (4)  | Baa1        | 2,210,250   |
| 7,512                             | UBS Group AG, Reg S, (5)                   | 7.125%  | N/A (4)  | BB+         | 7,704,683   |
| 3,865                             | UBS Group AG, Reg S, (5)                   | 7.000%  | N/A (4)  | BB+         | 4,125,401   |
|                                   | Total Capital Markets                      |         |          |             | 32,904,004  |
|                                   | <b>Consumer Finance 2.4%</b>               |         |          |             |             |
| 3,635                             | American Express Company                   | 5.200%  | N/A (4)  | Baa2        | 3,571,388   |
| 2,000                             | American Express Company                   | 4.900%  | N/A (4)  | Baa2        | 1,930,000   |
| 7,600                             | Capital One Financial Corporation          | 5.550%  | N/A (4)  | Baa3        | 7,708,300   |
|                                   | Total Consumer Finance                     |         |          |             | 13,209,688  |
|                                   | <b>Diversified Financial Services 8.1%</b> |         |          |             |             |

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|        |   |         |         |      |                   |
|--------|---|---------|---------|------|-------------------|
| 15,700 | Agstar Financial Services Inc., 144A          | 6.750%  | N/A (4) | BB   | 16,656,718        |
| 4,330  | BNP Paribas, 144A, (5)                        | 7.375%  | N/A (4) | BBB  | 4,416,600         |
| 6,040  | BNP Paribas, 144A                             | 7.195%  | N/A (4) | BBB  | 6,688,545         |
| 2,500  | Depository Trust & Clearing Corporation, 144A | 4.875%  | N/A (4) | A+   | 2,531,250         |
| 10,823 | Rabobank Nederland, 144A                      | 11.000% | N/A (4) | Baa2 | 13,230,506        |
| 1,697  | Voya Financial Inc., (6)                      | 5.650%  | 5/15/53 | Baa3 | 1,637,605         |
|        | <b>Total Diversified Financial Services</b>   |         |         |      | <b>45,161,224</b> |
|        | <b>Electric Utilities 2.1%</b>                |         |         |      |                   |
| 10,705 | Emera, Inc.                                   | 6.750%  | 6/15/76 | BBB  | 11,537,314        |
|        | <b>Food Products 1.9%</b>                     |         |         |      |                   |
| 8,895  | Land O Lakes Incorporated, 144A               | 8.000%  | N/A (4) | BB   | 9,361,988         |
| 1,275  | Land O Lakes Inc., 144A                       | 8.000%  | N/A (4) | BB   | 1,341,938         |
|        | <b>Total Food Products</b>                    |         |         |      | <b>10,703,926</b> |
|        | <b>Industrial Conglomerates 4.6%</b>          |         |         |      |                   |
| 24,127 | General Electric Company                      | 5.000%  | N/A (4) | AA   | 25,951,604        |

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**JPI Nuveen Preferred and Income Term Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Principal<br>Amount (000)/<br>Shares | Description (1)   | Coupon  | Maturity | Ratings (2) | Value                |
|--------------------------------------|---|---------|----------|-------------|----------------------|
|                                      | <b>Insurance 21.9%</b>                                  |         |          |             |                      |
| \$ 7,215                             | Aviva PLC, Reg S  | 8.250%  | N/A (4)  | BBB         | \$ 7,785,923         |
| 1,265                                | AXA SA  | 8.600%  | 12/15/30 | A3          | 1,778,362            |
| 2,640                                | Cloverie PLC Zurich Insurance, Reg S                    | 8.250%  | N/A (4)  | A           | 2,854,553            |
| 2,500                                | CNP Assurances, Reg S                                   | 7.500%  | N/A (4)  | BBB+        | 2,696,000            |
| 30,995                               | Financial Security Assurance Holdings, 144A, (6)        | 6.400%  | 12/15/66 | BBB+        | 22,161,424           |
| 2,424                                | Friends Life Group PLC, Reg S                           | 7.875%  | N/A (4)  | A           | 2,635,841            |
| 2,299                                | La Mondiale SAM, Reg S                                  | 7.625%  | N/A (4)  | BBB         | 2,466,137            |
| 4,175                                | MetLife Capital Trust X, 144A, (6)                      | 9.250%  | 4/08/68  | BBB         | 5,965,031            |
| 3,655                                | MetLife Inc.  | 5.250%  | N/A (4)  | BBB         | 3,657,924            |
| 7,703                                | Provident Financing Trust I, (6)                        | 7.405%  | 3/15/38  | Baa3        | 8,658,403            |
| 3,325                                | Prudential Financial Inc., (6)                          | 5.875%  | 9/15/42  | BBB+        | 3,684,931            |
| 13,600                               | QBE Cap Funding III Limited, 144A                       | 7.250%  | 5/24/41  | BBB         | 15,164,000           |
| 2,335                                | QBE Insurance Group Limited, Reg S                      | 6.750%  | 12/02/44 | BBB         | 2,565,581            |
| 20,020                               | Sirius International Group Limited, 144A                | 7.506%  | N/A (4)  | BB+         | 20,095,075           |
| 20,226                               | Symetra Financial Corporation, 144A, (6)                | 8.300%  | 10/15/37 | Baa2        | 20,504,108           |
|                                      | Total Insurance   |         |          |             | 122,673,293          |
|                                      | <b>Machinery 0.4%</b>                                   |         |          |             |                      |
| 2,345                                | Stanley Black & Decker Inc., (6)                        | 5.750%  | 12/15/53 | BBB+        | 2,492,266            |
|                                      | <b>Metals &amp; Mining 1.2%</b>                         |         |          |             |                      |
| 6,170                                | BHP Billiton Finance USA Limited, 144A                  | 6.250%  | 10/19/75 | A           | 6,679,025            |
|                                      | <b>Real Estate Investment Trust 2.8%</b>                |         |          |             |                      |
| 12,298                               | Sovereign Real Estate Investment Trust, 144A            | 12.000% | N/A (4)  | Ba1         | 15,618,460           |
|                                      | <b>Specialty Retail 0.5%</b>                            |         |          |             |                      |
| 2,850                                | Aquarius & Investments PLC fbo SwissRe, Reg S           | 8.250%  | N/A (4)  | N/R         | 3,080,260            |
|                                      | <b>U.S. Agency 0.2%</b>                                 |         |          |             |                      |
| 752                                  | Farm Credit Bank of Texas                               | 10.000% | N/A (4)  | Baa1        | 902,400              |
|                                      | Total \$1,000 Par (or similar)                          |         |          |             | 470,335,296          |
|                                      | Institutional Preferred<br>(cost \$458,997,975)         |         |          |             |                      |
|                                      | <b>Total Long-Term Investments (cost \$746,254,422)</b> |         |          |             | <b>781,528,586</b>   |
|                                      | <b>Borrowings (40.2)% (7), (8)</b>                      |         |          |             | <b>(225,000,000)</b> |

|   |             |                       |
|---|-------------|-----------------------|
| <b>Other Assets Less Liabilities (9)</b>      | <b>0.6%</b> | <b>3,193,492</b>      |
| <b>Net Assets Applicable to Common Shares</b> | <b>100%</b> | <b>\$ 559,722,078</b> |

Investments in Derivatives as of July 31, 2016

**Interest Rate Swaps**

| Counterparty              | Notional Amount | Fund Pay/Receive Floating Rate | Floating Rate Index   | Fixed Rate (Annualized) | Fixed Rate Payment Frequency | Effective Date (10) | Optional Termination Date | Termination Date | Value          |
|---------------------------|-----------------|--------------------------------|-----------------------|-------------------------|------------------------------|---------------------|---------------------------|------------------|----------------|
| JPMorgan Chase Bank, N.A. | \$ 84,375,000   | Receive                        | 1-Month USD-LIBOR-ICE | 1.735%                  | Monthly                      | 1/03/17             | 12/01/18                  | 12/01/20         | \$ (3,085,000) |
| JPMorgan Chase Bank, N.A. | 84,375,000      | Receive                        | 1-Month USD-LIBOR-ICE | 2.188                   | Monthly                      | 1/03/17             | 12/01/20                  | 12/01/22         | (6,262,900)    |
|                           | \$ 168,750,000  |                                |                       |                         |                              |                     |                           |                  | \$ (9,348,000) |

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ( Standard & Poor's ), Moody's Investors Service, Inc. ( Moody's ) or Fitch, Inc. ( Fitch ) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
- (3) For fair value measurement disclosure purposes, investment classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.
- (4) Perpetual security. Maturity date is not applicable.
- (5) Contingent Capital Securities ( CoCos ) are debt or preferred securities with loss absorption characteristics built into the terms of the security for the benefit of the issuer, for example an automatic write-down of principal or a mandatory conversion into the issuer's common stock under certain adverse circumstances, such as the issuer's capital ratio falling below a specified level. As of the end of the reporting period, the Fund's total investment in CoCos was \$120,681,261, representing 21.6% and 15.4% of Net Assets Applicable to Common Shares and Total Investments, respectively.
- (6) Investment, or a portion of investment, is hypothecated as described in the Notes to Financial Statements, Note 8 Borrowing Arrangements, Rehypothecation. The value of investments hypothecated as of the end of the reporting period was \$54,041,948.
- (7) The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings. As of the end of the reporting period, investments with a value of \$539,434,563 have been pledged as collateral for borrowings.
- (8) Borrowings as a percentage of Total Investments is 28.8%.
- (9) Other assets less liabilities includes the unrealized appreciation (depreciation) of certain over-the-counter ( OTC ) derivatives as presented on the Statement of Assets and Liabilities, when applicable. The

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unrealized appreciation (depreciation) of OTC-cleared and exchange-traded derivatives is recognized as part of the cash collateral at brokers and/or the receivable or payable for variation margin as presented on the Statement of Assets and Liabilities, when applicable.

- (10) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each contract.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.
- Reg S Regulation S allows U.S. companies to sell securities to persons or entities located outside of the United States without registering those securities with the Securities and Exchange Commission. Specifically, Regulation S provides a safe harbor from the registration requirements of the Securities Act for the offers and sales of securities by both foreign and domestic issuers that are made outside the United States.
- REIT Real Estate Investment Trust

USD-LIBOR-ICE United States Dollar London Inter-Bank Offered Rate Intercontinental Exchange

*See accompanying notes to financial statements.*

JPS

**Nuveen Preferred Securities Income Fund**  
(formerly Nuveen Quality Preferred Income Fund 2)

**Portfolio of Investments**

**July 31, 2016**

| Shares   | Description (1)                              | Coupon | Ratings (2) | Value         |
|--|--|--------|-------------|---------------|
| <b>LONG-TERM INVESTMENTS 143.8% (97.1% of Total Investments)</b>                 |  |        |             |               |
| <b>\$25 PAR (OR SIMILAR) RETAIL PREFERRED 30.7% (20.7% of Total Investments)</b> |  |        |             |               |
| <b>Banks 9.1%</b>  |  |        |             |               |
| 105,300  | AgriBank FCB, (3)                            | 6.875% | BBB+        | \$ 11,369,115 |
| 51,284   | Barclays Bank PLC                            | 8.125% | BB+         | 1,340,564     |
| 13,391   | Citigroup Inc., (4)                          | 7.125% | BB+         | 402,801       |
| 645,113  | Citigroup Inc.                               | 6.875% | BB+         | 19,205,014    |
| 37,500   | Cobank Agricultural Credit Bank, (3)         | 6.250% | BBB+        | 3,881,250     |
| 53,000   | Cobank Agricultural Credit Bank, (3), (4)    | 6.200% | BBB+        | 5,407,659     |
| 86,000   | Fifth Third Bancorp.                         | 6.625% | Baa3        | 2,666,860     |
| 154,809  | First Niagara Finance Group                  | 8.625% | Baa3        | 4,008,005     |
| 30,590   | HSBC Holdings PLC                            | 8.000% | Baa1        | 820,730       |
| 1,176,064  | ING Groep N.V                                | 7.200% | Baa3        | 30,895,201    |
| 873,854  | ING Groep N.V                                | 7.050% | Baa3        | 23,069,746    |
| 2,164,700  | PNC Financial Services                       | 6.125% | Baa2        | 65,633,703    |
| 104,608  | TCF Financial Corporation                    | 7.500% | BB          | 2,783,619     |
| 249,285  | Wells Fargo & Company, (4)                   | 5.850% | BBB         | 6,960,037     |
|  | Total Banks                                  |        |             | 178,444,304   |
| <b>Capital Markets 1.4%</b>  |  |        |             |               |
| 601,766  | Deutsche Bank Capital Funding Trust II       | 6.550% | BB+         | 15,116,362    |
| 369,239  | Goldman Sachs Group, Inc.                    | 5.500% | Ba1         | 9,995,300     |
| 38,534   | Morgan Stanley                               | 7.125% | Ba1         | 1,162,185     |
| 74,642   | State Street Corporation                     | 5.900% | Baa1        | 2,196,714     |
|  | Total Capital Markets                        |        |             | 28,470,561    |
| <b>Diversified Telecommunication Services 2.8%</b>                               |  |        |             |               |
| 353,519  | Qwest Corporation                            | 7.500% | BBB         | 9,060,692     |
| 297,370  | Qwest Corporation                            | 7.375% | BBB         | 7,689,988     |
| 554,889  | Qwest Corporation                            | 7.000% | BBB         | 14,499,250    |
| 161,854  | Qwest Corporation, (4)                       | 7.000% | BBB         | 4,277,801     |
| 315,756  | Qwest Corporation, (4)                       | 6.875% | BBB         | 8,437,000     |
| 159,600  | Qwest Corporation                            | 6.625% | BBB         | 4,170,348     |
| 248,301  | Qwest Corporation                            | 6.125% | BBB         | 6,388,785     |
|  | Total Diversified Telecommunication Services |        |             | 54,523,864    |
| <b>Electric Utilities 1.0%</b>   |  |        |             |               |
| 426,248  | Alabama Power Company, (3)                   | 6.450% | A3          | 11,428,775    |
| 203,256  | Integrus Energy Group Inc., (3)              | 6.000% | Baa1        | 5,481,814     |



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|           |  |        |      |                   |
|-----------|--|--------|------|-------------------|
| 88,577    | Interstate Power and Light Company       | 5.100% | BBB  | 2,449,154         |
| 22,048    | NextEra Energy Inc.                      | 5.625% | BBB  | 573,028           |
|           | <b>Total Electric Utilities</b>          |        |      | <b>19,932,771</b> |
|           | <b>Food Products 0.7%</b>                |        |      |                   |
| 91,900    | Dairy Farmers of America Inc., 144A, (3) | 7.875% | Baa3 | 9,741,400         |
| 32,500    | Dairy Farmers of America Inc., 144A, (3) | 7.875% | Baa3 | 3,381,017         |
|           | <b>Total Food Products</b>               |        |      | <b>13,122,417</b> |
|           | <b>Insurance 8.8%</b>                    |        |      |                   |
| 2,331,106 | Aegon N.V                                | 6.375% | Baa1 | 60,398,956        |
| 20,165    | Aflac Inc.                               | 5.500% | Baa1 | 536,792           |
| 611,000   | Allstate Corporation                     | 5.100% | Baa1 | 17,059,120        |
| 54,297    | American Financial Group                 | 6.250% | Baa2 | 1,505,113         |
| 357,568   | Arch Capital Group Limited               | 6.750% | BBB+ | 9,850,998         |
| 41,987    | Aspen Insurance Holdings Limited         | 7.250% | BBB  | 1,112,236         |
| 271,064   | Aspen Insurance Holdings Limited         | 5.950% | BBB  | 7,844,592         |
| 748,733   | Axis Capital Holdings Limited            | 6.875% | BBB  | 19,751,577        |

| Shares   | Description (1)  | Coupon | Ratings (2) | Value              |
|--|--|--------|-------------|--------------------|
| <b>Insurance (continued)</b>   |  |        |             |                    |
| 131,293  | Axis Capital Holdings Limited  | 5.500% | BBB         | \$ 3,498,958       |
| 731,369  | Delphi Financial Group, Inc., (3)  | 7.376% | BB+         | 15,770,144         |
| 212,730  | Hartford Financial Services Group Inc.                                   | 7.875% | BBB         | 6,673,340          |
| 524,885  | Prudential PLC   | 6.750% | A           | 14,213,886         |
| 416,100  | Reinsurance Group of America Inc.  | 6.200% | BBB         | 12,749,304         |
| 127,798  | Torchmark Corporation  | 5.875% | BBB+        | 3,307,412          |
|  | <b>Total Insurance</b>   |        |             | <b>174,272,428</b> |
| <b>Machinery 0.0%</b>  |  |        |             |                    |
| 2,386  | Stanley, Black, and Decker Inc., (4)                                     | 5.750% | BBB+        | 62,943             |
| <b>Real Estate Investment Trust 1.8%</b>                                 |  |        |             |                    |
| 76,450   | DDR Corporation  | 6.250% | Baa3        | 1,979,291          |
| 152,294  | Digital Realty Trust Inc.  | 7.375% | Baa3        | 4,355,608          |
| 513,113  | Hospitality Properties Trust   | 7.125% | Baa3        | 13,525,658         |
| 18,139   | Kimco Realty Corporation   | 5.625% | Baa2        | 476,149            |
| 82,301   | Prologis Inc., (3)   | 8.540% | BBB         | 5,804,797          |
| 176,879  | Realty Income Corporation  | 6.625% | Baa2        | 4,658,993          |
| 130,203  | Regency Centers Corporation  | 6.625% | Baa2        | 3,374,862          |
| 12,199   | Ventas Realty LP   | 5.450% | BBB+        | 332,423            |
| 3,000  | Welltower Inc.   | 6.500% | Baa2        | 79,650             |
|  | <b>Total Real Estate Investment Trust</b>                                |        |             | <b>34,587,431</b>  |
| <b>U.S. Agency 1.2%</b>  |  |        |             |                    |
| 229,000  | Farm Credit Bank of Texas, (3)   | 6.750% | Baa1        | 24,732,000         |
| <b>Wireless Telecommunication Services 3.9%</b>                          |  |        |             |                    |
| 58,738   | Centaur Funding Corporation, Series B, 144A, (3)                         | 9.080% | BBB         | 69,898,220         |
| 90,850   | Telephone and Data Systems Inc.  | 7.000% | BB+         | 2,318,492          |
| 136,397  | Telephone and Data Systems Inc.  | 6.875% | BB+         | 3,551,778          |
| 11,826   | United States Cellular Corporation                                       | 7.250% | Ba1         | 313,862            |
| 10,591   | United States Cellular Corporation                                       | 6.950% | Ba1         | 275,578            |
|  | <b>Total Wireless Telecommunication Services</b>                         |        |             | <b>76,357,930</b>  |
|  | <b>Total \$25 Par (or similar) Retail Preferred (cost \$545,765,263)</b> |        |             | <b>604,506,649</b> |
| Shares   | Description (1)  | Coupon | Ratings (2) | Value              |
| <b>CONVERTIBLE PREFERRED SECURITIES 0.7% (0.5% of Total Investments)</b> |  |        |             |                    |
| <b>Banks 0.7%</b>  |  |        |             |                    |
| 10,632   | Wells Fargo & Company  | 7.500% | BBB         | \$ 14,153,956      |
|  | <b>Total Convertible Preferred Securities (cost \$12,541,444)</b>        |        |             | <b>14,153,956</b>  |

| Principal Amount (000)                                  | Description (1)                    | Coupon  | Maturity | Ratings (2) | Value        |
|---|------------------------------------|---------|----------|-------------|--------------|
| <b>CORPORATE BONDS 8.3% (5.6% of Total Investments)</b> |                                    |         |          |             |              |
| <b>Banks 6.7%</b>                                       |                                    |         |          |             |              |
| \$ 7,000  | Barclays Bank PLC, (5)             | 7.625%  | 11/21/22 | BBB         | \$ 7,824,600 |
| 26,400  | Barclays Bank PLC, (5)             | 7.750%  | 4/10/23  | BBB         | 28,050,000   |
| 1,250   | Den Norske Bank                    | 0.938%  | N/A (6)  | Baa2        | 655,000      |
| 1,250   | Den Norske Bank                    | 0.713%  | N/A (6)  | Baa2        | 648,750      |
| 16,000  | ING Groep N.V, (5)                 | 6.500%  | N/A (6)  | BBB         | 15,300,000   |
| 54,000  | JPMorgan Chase & Company           | 6.750%  | N/A (6)  | BBB         | 60,812,100   |
| 13,225  | Nordea Bank AB, 144A, (5)          | 5.500%  | N/A (6)  | BBB         | 13,109,281   |
| 5,000   | Societe Generale, Reg S, (5)       | 8.250%  | N/A (6)  | BB+         | 5,087,500    |
| 124,125   | Total Banks                        |         |          |             | 131,487,231  |
| <b>Capital Markets 0.3%</b>                             |                                    |         |          |             |              |
| 2,910   | Macquarie Bank Limited, Reg S, (5) | 10.250% | 6/20/57  | BB+         | 3,084,466    |

NUVEEN 49

**JPS Nuveen Preferred Securities Income Fund**

(formerly Nuveen Quality Preferred Income Fund 2)

**Portfolio of Investments** (continued)**July 31, 2016**

| <b>Principal Amount (000)</b>                   | <b>Description (1)</b>                        | <b>Coupon</b> | <b>Maturity</b> | <b>Ratings (2)</b> | <b>Value</b> |
|---|---|---------------|-----------------|--------------------|--------------|
| <b>Capital Markets</b> (continued)              |   |               |                 |                    |              |
| \$ 2,676  | UBS AG Stamford, (5)                          | 7.625%        | 8/17/22         | BBB+               | \$ 3,110,850 |
| 5,586   | Total Capital Markets                         |               |                 |                    | 6,195,316    |
| <b>Construction &amp; Engineering 0.2%</b>      |   |               |                 |                    |              |
| 4,000   | Hutchison Whampoa International Limited, 144A | 6.000%        | N/A (6)         | BBB                | 4,128,000    |
| <b>Electric Utilities 0.1%</b>                  |   |               |                 |                    |              |
| 2,900   | WPS Resource Corporation                      | 0.000%        | 12/01/66        | Baa1               | 2,204,000    |
| <b>Insurance 0.8%</b>                           |   |               |                 |                    |              |
| 5,000   | AIG Life Holdings Inc., 144A                  | 8.125%        | 3/15/46         | BBB                | 6,325,000    |
| 900   | AXA, Reg S                                    | 5.500%        | N/A (6)         | A3                 | 935,190      |
| 6,150   | Liberty Mutual Group Inc., 144A, (7)          | 7.697%        | 10/15/97        | BBB+               | 8,117,914    |
| 12,050  | Total Insurance                               |               |                 |                    | 15,378,104   |
| <b>Multi-Utilities 0.1%</b>                     |   |               |                 |                    |              |
| 3,000   | WEC Energy Group, Inc.                        | 6.250%        | 5/15/67         | Baa1               | 2,503,125    |
| <b>Wireless Telecommunication Services 0.1%</b> |   |               |                 |                    |              |
| 1,600   | Koninklijke KPN NV, 144A                      | 7.000%        | 3/28/73         | BB+                | 1,740,000    |
| \$ 153,261                                      | Total Corporate Bonds (cost \$157,370,016)    |               |                 |                    | 163,635,776  |

| <b>Principal Amount (000)/ Shares</b>  | <b>Description (1)</b>   | <b>Coupon</b> | <b>Maturity</b> | <b>Ratings (2)</b> | <b>Value</b>  |
|--|--|---------------|-----------------|--------------------|---------------|
| <b>\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED Investments) 102.8% (69.4% of Total)</b> |  |               |                 |                    |               |
| <b>Banks 56.5%</b>   |  |               |                 |                    |               |
| \$ 27,800  | Australia and New Zealand Banking Group Limited of the United Kingdom, 144A, (5) | 6.750%        | N/A (6)         | Baa1               | \$ 30,224,799 |
| 42,800   | Banco Bilbao Vizcaya Argentaria S.A, Reg S, (5)                                  | 9.000%        | N/A (6)         | BB                 | 44,191,000    |
| 20,600   | Banco Santander SA, Reg S, (5)   | 6.375%        | N/A (6)         | Ba1                | 18,817,770    |
| 20,394   | Bank of America Corporation, (4)   | 8.000%        | N/A (6)         | BB+                | 20,722,955    |
| 11,300   | Bank of America Corporation  | 6.500%        | N/A (6)         | BB+                | 12,338,188    |
| 10,700   | Bank of America Corporation  | 6.300%        | N/A (6)         | BB+                | 11,659,651    |

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|        |  |         |          |      |            |
|--------|--|---------|----------|------|------------|
| 3,600  | Bank One Capital III, (7)                        | 8.750%  | 9/01/30  | Baa2 | 5,191,891  |
| 45,290 | Barclays PLC, (5)                                | 8.250%  | N/A (6)  | BB+  | 46,082,575 |
| 36,416 | Barclays PLC, (5)                                | 7.434%  | N/A (6)  | BB+  | 34,094,480 |
| 20,000 | Chase Capital Trust III, Series C, (7)           | 0.777%  | 3/01/27  | Baa2 | 17,100,000 |
| 10,000 | Citigroup Inc.                                   | 8.400%  | N/A (6)  | BB+  | 11,037,500 |
| 3,000  | Citigroup Inc.                                   | 6.250%  | N/A (6)  | BB+  | 3,232,500  |
| 39,300 | Citigroup Inc., (4)                              | 6.125%  | N/A (6)  | BB+  | 40,863,354 |
| 9,250  | Citigroup Inc.                                   | 5.950%  | N/A (6)  | BB+  | 9,484,441  |
| 24,389 | Citizens Financial Group Inc.                    | 5.500%  | N/A (6)  | BB+  | 24,023,165 |
| 17,500 | Cobank Agricultural Credit Bank                  | 6.250%  | N/A (6)  | BBB+ | 18,941,108 |
| 23,653 | Credit Agricole SA, 144A, (5)                    | 7.875%  | N/A (6)  | BB+  | 23,416,470 |
| 50,400 | Credit Agricole SA, 144A, (5)                    | 8.125%  | N/A (6)  | Ba1  | 53,046,000 |
| 3,000  | Credit Agricole SA, Reg S, (5)                   | 8.125%  | N/A (6)  | Ba1  | 3,170,865  |
| 1,000  | Credit Agricole, S.A, 144A, (5)                  | 6.625%  | N/A (6)  | Ba1  | 953,000    |
| 9,000  | Credit Agricole, S.A, Reg S, (5)                 | 7.875%  | N/A (6)  | BB+  | 8,910,000  |
| 11,000 | DNB Bank ASA, Reg S, (5)                         | 5.750%  | N/A (6)  | BBB  | 10,725,000 |
| 19,300 | Dresdner Funding Trust I, Reg S                  | 8.151%  | 6/30/31  | BB+  | 23,085,946 |
| 7,900  | Dresdner Funding Trust, 144A                     | 8.151%  | 6/30/31  | BB+  | 9,313,705  |
| 25,580 | First Union Capital Trust II, Series A, (4), (7) | 7.950%  | 11/15/29 | Baa1 | 34,081,232 |
| 10,000 | HSBC Bank PLC                                    | 1.188%  | N/A (6)  | A3   | 5,712,500  |
| 7,000  | HSBC Bank PLC                                    | 0.975%  | N/A (6)  | A3   | 4,109,000  |
| 30,000 | HSBC Capital Funding LP, Debt, 144A              | 10.176% | N/A (6)  | Baa1 | 44,100,000 |
| 55,205 | HSBC Holdings PLC, (5)                           | 6.875%  | N/A (6)  | BBB  | 56,861,150 |
| 2,000  | JP Morgan Chase & Company                        | 5.300%  | N/A (6)  | BBB  | 2,059,000  |
| 11,000 | JPMorgan Chase & Company                         | 6.000%  | N/A (6)  | BBB  | 11,506,000 |
| 3,500  | JPMorgan Chase & Company                         | 5.150%  | N/A (6)  | BBB  | 3,500,000  |

| <b>Principal Amount (000)/ Shares</b> | <b>Description (1)</b>                        | <b>Coupon</b> | <b>Maturity</b> | <b>Ratings (2)</b> | <b>Value</b>         |
|---------------------------------------|---|---------------|-----------------|--------------------|----------------------|
| <b>Banks (continued)</b>              |   |               |                 |                    |                      |
| \$ 8,000                              | KeyCorp Capital III, (7)                      | 7.750%        | 7/15/29         | Baa2               | \$ 9,626,184         |
| 70,529                                | Lloyd s Banking Group PLC, (5)                | 7.500%        | N/A (6)         | BB+                | 70,352,678           |
| 9,850                                 | Lloyd s Banking Group PLC, 144A               | 6.657%        | N/A (6)         | Ba1                | 10,785,750           |
| 4,800                                 | Lloyd s Banking Group PLC, 144A               | 6.413%        | N/A (6)         | Ba1                | 5,208,000            |
| 44,500                                | M&T Bank Corporation                          | 6.875%        | N/A (6)         | Baa2               | 44,833,750           |
| 9,100                                 | M&T Bank Corporation, (4)                     | 6.375%        | N/A (6)         | Baa1               | 9,464,000            |
| 12,330                                | Nordea Bank AB, Reg S, (5)                    | 5.250%        | N/A (6)         | BBB                | 11,811,943           |
| 25,390                                | Nordea Bank AB, 144A, (5)                     | 6.125%        | N/A (6)         | BBB                | 25,136,100           |
| 29,100                                | PNC Financial Services Inc.                   | 6.750%        | N/A (6)         | Baa2               | 32,701,125           |
| 9,546                                 | Royal Bank of Scotland Group PLC              | 7.648%        | N/A (6)         | BB                 | 11,192,685           |
| 21,375                                | Royal Bank of Scotland Group PLC, (5)         | 8.000%        | N/A (6)         | BB                 | 21,241,406           |
| 58,786                                | Royal Bank of Scotland Group PLC, (5)         | 7.500%        | N/A (6)         | BB                 | 57,169,385           |
| 7,210                                 | Skandinaviska Enskilda Bankenn AB, Reg S, (5) | 5.750%        | N/A (6)         | BBB                | 7,079,571            |
| 59,900                                | Societe Generale, 144A, (5)                   | 8.000%        | N/A (6)         | BB+                | 59,151,250           |
| 4,500                                 | Societe Generale, 144A, (5)                   | 7.875%        | N/A (6)         | BB+                | 4,275,000            |
| 2,450                                 | Societe Generale, 144A                        | 1.403%        | N/A (6)         | BB+                | 2,315,250            |
| 5,000                                 | Societe Generale, Reg S, (5)                  | 7.875%        | N/A (6)         | BB+                | 4,750,000            |
| 16,300                                | Standard Chartered PLC, 144A                  | 7.014%        | N/A (6)         | Baa3               | 17,359,500           |
| 32,786                                | Svenska Handelsbanken AB, Reg S, (5)          | 5.250%        | N/A (6)         | BBB+               | 32,015,528           |
| 3,000                                 | Swedbank AB, Reg S, (5)                       | 5.500%        | N/A (6)         | BBB                | 2,996,250            |
| 29,525                                | Wells Fargo & Company, (4)                    | 7.980%        | N/A (6)         | BBB                | 31,401,314           |
|                                       | <b>Total Banks</b>                            |               |                 |                    | <b>1,113,421,914</b> |
|                                       | <b>Capital Markets 10.1%</b>                  |               |                 |                    |                      |
| 18,700                                | Charles Schwab Corporation                    | 7.000%        | N/A (6)         | BBB                | 21,598,500           |
| 12,100                                | Bank of New York Mellon Corporation           | 4.950%        | N/A (6)         | Baa1               | 12,342,000           |
| 36,300                                | Credit Suisse Group AG, 144A, (5)             | 7.500%        | N/A (6)         | BB                 | 37,570,500           |
| 6,200                                 | Credit Suisse Group AG, 144A, (5)             | 6.250%        | N/A (6)         | BB                 | 5,990,812            |
| 14,000                                | Credit Suisse Group AG, Reg S, (5)            | 7.500%        | N/A (6)         | BB                 | 14,490,000           |
| 15,000                                | Credit Suisse Group AG, Reg S, (5)            | 6.250%        | N/A (6)         | BB                 | 14,499,600           |
| 3,500                                 | Goldman Sachs Group Inc.                      | 5.700%        | N/A (6)         | Ba1                | 3,552,500            |
| 6,150                                 | Morgan Stanley                                | 5.550%        | N/A (6)         | Ba1                | 6,226,875            |
| 32,178                                | UBS Group AG, Reg S, (5)                      | 7.125%        | N/A (6)         | BB+                | 33,003,365           |
| 5,000                                 | UBS Group AG, Reg S, (5)                      | 6.875%        | N/A (6)         | BB+                | 5,065,345            |
| 5,609                                 | UBS Group AG, Reg S, (5)                      | 7.000%        | N/A (6)         | BB+                | 5,986,901            |
| 39,800                                | UBS Group AG, Reg S, (5)                      | 6.875%        | N/A (6)         | BB+                | 39,087,898           |

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|                                       |  |         |          |      |             |
|---------------------------------------|--|---------|----------|------|-------------|
| Total Capital Markets                 |  |         |          |      | 199,414,296 |
| <b>Diversified Financial Services</b> |  |         |          |      |             |
| <b>5.1%</b>                           |  |         |          |      |             |
| 5,000                                 | BNP Paribas, Reg S, (5)                      | 7.375%  | N/A (6)  | BBB  | 5,100,000   |
| 29,185                                | BNP Paribas, 144A, (5)                       | 7.375%  | N/A (6)  | BBB  | 29,768,700  |
| 26,000                                | BNP Paribas, 144A, (5)                       | 7.625%  | N/A (6)  | BBB  | 27,014,000  |
| 2,861                                 | Countrywide Capital Trust III, Series B, (7) | 8.050%  | 6/15/27  | BBB  | 3,665,399   |
| 17,557                                | Rabobank Nederland, 144A                     | 11.000% | N/A (6)  | Baa2 | 21,463,433  |
| 13,905                                | Voya Financial Inc.                          | 5.650%  | 5/15/53  | Baa3 | 13,418,325  |
| Total Diversified Financial Services  |  |         |          |      | 100,429,857 |
| <b>Electric Utilities 2.2%</b>        |  |         |          |      |             |
| 15,000                                | Emera, Inc.                                  | 0.000%  | 6/15/76  | BBB  | 16,166,250  |
| 1,000                                 | FPL Group Capital Inc.                       | 6.350%  | 10/01/66 | BBB  | 795,500     |
| 7,850                                 | FPL Group Capital Inc., (7)                  | 6.650%  | 6/15/67  | BBB  | 6,459,216   |
| 23,482                                | PPL Capital Funding Inc., (7)                | 6.700%  | 3/30/67  | BBB  | 19,842,290  |
| Total Electric Utilities              |  |         |          |      | 43,263,256  |
| <b>Industrial Conglomerates 4.9%</b>  |  |         |          |      |             |
| 88,887                                | General Electric Company                     | 5.000%  | N/A (6)  | AA   | 95,609,079  |
| <b>Insurance 20.7%</b>                |  |         |          |      |             |
| 3,598                                 | Ace Capital Trust II, (7)                    | 9.700%  | 4/01/30  | BBB+ | 5,388,005   |
| 9,800                                 | AIG Life Holdings Inc.                       | 8.500%  | 7/01/30  | BBB  | 12,760,502  |

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**JPS Nuveen Preferred Securities Income Fund**  
(formerly Nuveen Quality Preferred Income Fund 2)  
**Portfolio of Investments** (continued)

July 31, 2016

| Principal Amount (\$000)/ Shares | Description (1)  | Coupon  | Maturity | Ratings (2) | Value        |
|----------------------------------|--|---------|----------|-------------|--------------|
| <b>Insurance</b> (continued)     |  |         |          |             |              |
| \$ 4,400                         | Allstate Corporation   | 5.750%  | 8/15/53  | Baa1        | \$ 4,620,000 |
| 1,200                            | Allstate Corporation, (7)                                    | 6.500%  | 5/15/57  | Baa1        | 1,332,000    |
| 13,605                           | American International Group, Inc., (7)                      | 8.175%  | 5/15/58  | BBB         | 17,686,500   |
| 1,225                            | AON Corporation  | 8.205%  | 1/01/27  | BBB         | 1,617,000    |
| 16,550                           | AXA SA, (7)  | 8.600%  | 12/15/30 | A3          | 23,266,321   |
| 17,819                           | AXA SA, 144A   | 6.380%  | N/A (6)  | Baa1        | 19,437,856   |
| 32,854                           | Catlin Insurance Company Limited, 144A                       | 7.249%  | N/A (6)  | BBB+        | 23,737,015   |
| 1,200                            | Everest Reinsurance Holdings, Inc.                           | 6.600%  | 5/01/67  | BBB         | 978,000      |
| 16,150                           | Glen Meadows Pass Through Trust, 144A                        | 6.505%  | 8/15/67  | BBB         | 11,984,592   |
| 8,100                            | Great West Life & Annuity Capital I, 144A, (7)               | 6.625%  | 11/15/34 | A           | 9,666,726    |
| 12,250                           | Great West Life & Annuity Insurance Capital LP II, 144A, (7) | 7.153%  | 5/16/46  | A           | 10,810,625   |
| 11,688                           | Hartford Financial Services Group Inc., (7)                  | 8.125%  | 6/15/68  | BBB         | 12,798,360   |
| 20,369                           | Liberty Mutual Group, 144A                                   | 7.000%  | 3/15/37  | Baa3        | 17,822,875   |
| 25,841                           | Liberty Mutual Group, 144A, (7)                              | 7.800%  | 3/15/37  | Baa3        | 28,748,113   |
| 3,277                            | Lincoln National Corporation                                 | 7.000%  | 5/17/66  | BBB         | 2,363,536    |
| 11,390                           | Lincoln National Corporation, (7)                            | 6.050%  | 4/20/67  | BBB         | 8,143,850    |
| 26,100                           | MetLife Capital Trust IV, 144A, (7)                          | 7.875%  | 12/15/37 | BBB         | 32,350,950   |
| 31,700                           | MetLife Capital Trust X, 144A, (7)                           | 9.250%  | 4/08/38  | BBB         | 45,291,374   |
| 3,000                            | MetLife Inc.   | 10.750% | 8/01/39  | BBB         | 4,800,000    |
| 41,904                           | Nationwide Financial Services Inc., (7)                      | 6.750%  | 5/15/37  | Baa2        | 43,370,640   |
| 7,243                            | Oil Insurance Limited, 144A                                  | 3.613%  | N/A (6)  | Baa1        | 5,649,540    |
| 3,750                            | Provident Financing Trust I, (7)                             | 7.405%  | 3/15/38  | Baa3        | 4,215,113    |
| 305                              | Prudential Financial Inc.                                    | 8.875%  | 6/15/38  | BBB+        | 340,075      |
| 27,180                           | Prudential Financial Inc., (7)                               | 5.625%  | 6/15/43  | BBB+        | 29,102,985   |
| 6,225                            | Prudential Financial Inc., (7)                               | 5.875%  | 9/15/42  | BBB+        | 6,898,856    |
| 1,300                            | Prudential PLC, Reg S  | 7.750%  | N/A (6)  | A           | 1,341,633    |
| 5,010                            | The Chubb Corporation, (7)                                   | 6.375%  | 4/15/37  | BBB+        | 4,510,503    |
| 5,405                            | XL Capital Ltd   | 6.500%  | N/A (6)  | BBB         | 3,729,450    |
| 17,200                           | XLIT Limited   | 3.687%  | N/A (6)  | BBB         | 13,416,000   |
|                                  | Total Insurance  |         |          |             | 408,178,995  |
|                                  | <b>Machinery 0.3%</b>  |         |          |             |              |



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|               |   |        |          |      |                      |
|---------------|---|--------|----------|------|----------------------|
| 6,000         | Stanley Black & Decker Inc., (7)  | 5.750% | 12/15/53 | BBB+ | 6,376,800            |
|               | <b>Oil, Gas &amp; Consumable Fuels</b>  |        |          |      |                      |
|               | <b>1.3%</b>   |        |          |      |                      |
| 24,476        | Enterprise Products Operating LP, (4), (7)                                    | 7.034% | 1/15/68  | Baa2 | 25,828,054           |
|               | <b>Real Estate Investment Trust</b>   |        |          |      |                      |
|               | <b>0.2%</b>   |        |          |      |                      |
| 3,722         | Sovereign Capital Trusts  | 7.908% | 6/13/36  | Ba1  | 3,736,717            |
|               | <b>Road &amp; Rail 1.5%</b>   |        |          |      |                      |
| 25,485        | Burlington Northern Santa Fe Funding Trust I, (7)                             | 6.613% | 12/15/55 | A    | 28,989,188           |
|               | Total \$1,000 Par (or similar) Institutional Preferred (cost \$1,945,981,628) |        |          |      | 2,025,248,156        |
| <b>Shares</b> | <b>Description (1), (8)</b>   |        |          |      | <b>Value</b>         |
|               | <b>INVESTMENT COMPANIES 1.3% (0.9% of Total Investments)</b>                  |        |          |      |                      |
| 966,571       | Blackrock Credit Allocation Income Trust IV                                   |        |          | \$   | 12,826,397           |
| 648,621       | John Hancock Preferred Income Fund III  |        |          |      | 13,076,200           |
|               | Total Investment Companies (cost \$34,279,960)                                |        |          |      | 25,902,597           |
|               | <b>Total Long-Term Investments (cost \$2,695,938,311)</b>                     |        |          |      | <b>2,833,447,134</b> |

| Principal Amount (000) | Description (1)  | Coupon        | Maturity                           | Value                   |
|------------------------|--|---------------|------------------------------------|-------------------------|
|                        | <b>SHORT-TERM INVESTMENTS</b>  | <b>4.3%</b>   | <b>(2.9% of Total Investments)</b> |                         |
|                        | <b>REPURCHASE AGREEMENTS</b>   | <b>4.3%</b>   | <b>(2.9% of Total Investments)</b> |                         |
| \$ 85,125              | Repurchase Agreement with Fixed Income Clearing Corporation, dated 7/29/16, repurchase price \$85,124,723, collateralized by \$65,905,000 U.S. Treasury Bonds, 3.625%, due 8/15/43, value \$86,829,838 | 0.030%        | 8/01/16                            | \$ 85,124,510           |
|                        | <b>Total Short-Term Investments (cost \$85,124,510)</b>  |               |                                    | <b>85,124,510</b>       |
|                        | <b>Total Investments (cost \$2,781,062,821)</b>  | <b>148.1%</b> |                                    | <b>2,918,571,644</b>    |
|                        | <b>Borrowings (47.9%) (9), (10)</b>  |               |                                    | <b>(945,000,000)</b>    |
|                        | <b>Other Assets Less Liabilities (0.2%) (11)</b>   |               |                                    | <b>(2,752,666)</b>      |
|                        | <b>Net Assets Applicable to Common Shares</b>  | <b>100%</b>   |                                    | <b>\$ 1,970,818,978</b> |

Investments in Derivatives as of July 31, 2016

### Interest Rate Swaps

| Counterparty              | Notional Amount | Fund Pay/Receive Floating Rate | Floating Rate Index   | Fixed Rate (Annualized) | Fixed Rate Payment Frequency | Effective Date (12) | Optional Termination Date | Termination Date | Value       |
|---------------------------|-----------------|--------------------------------|-----------------------|-------------------------|------------------------------|---------------------|---------------------------|------------------|-------------|
| JPMorgan Chase Bank, N.A. | \$ 227,569,000  | Receive                        | 1-Month USD-LIBOR-ICE | 1.462%                  | Monthly                      | 1/03/17             | 12/01/18                  | 12/01/20         | \$ (6,226)  |
| JPMorgan Chase Bank, N.A. | 227,569,000     | Receive                        | 1-Month USD-LIBOR-ICE | 1.842                   | Monthly                      | 1/03/17             | 12/01/20                  | 12/01/22         | (12,798)    |
|                           | \$ 455,138,000  |                                |                       |                         |                              |                     |                           |                  | \$ (19,024) |

**JPS Nuveen Preferred Securities Income Fund**  
(formerly Nuveen Quality Preferred Income Fund 2)  
**Portfolio of Investments** (continued)

**July 31, 2016**

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
- (3) For fair value measurement disclosure purposes, investment classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
- (5) Contingent Capital Securities (CoCos) are debt or preferred securities with loss absorption characteristics built into the terms of the security for the benefit of the issuer, for example an automatic write-down of principal or a mandatory conversion into the issuer's common stock under certain adverse circumstances, such as the issuer's capital ratio falling below a specified level. As of the end of the reporting period, the Fund's total investment in CoCos was \$919,616,038, representing 46.7% and 31.5% of Net Assets Applicable to Common Shares and Total Investments, respectively.
- (6) Perpetual security. Maturity date is not applicable.
- (7) Investment, or a portion of investment, is hypothecated as described in the Notes to Financial Statements, Note 8 Borrowing Arrangements, Rehypothecation. The value of investments hypothecated as of the end of the reporting period was \$403,529,531.

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- (8) A copy of the most recent financial statements for the investment companies can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.
- (9) The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings. As of the end of the reporting period, investments with a value of \$1,981,211,428 have been pledged as collateral for borrowings.
- (10) Borrowings as a percentage of Total Investments is 32.4%.
- (11) Other assets less liabilities includes the unrealized appreciation (depreciation) of certain over-the-counter ( OTC ) derivatives as presented on the Statement of Assets and Liabilities, when applicable. The unrealized appreciation (depreciation) of OTC-cleared and exchange-traded derivatives is recognized as part of the cash collateral at brokers and/or the receivable or payable for variation margin as presented on the Statement of Assets and Liabilities, when applicable.
- (12) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each contract.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.
- Reg S Regulation S allows U.S. companies to sell securities to persons or entities located outside of the United States without registering those securities with the Securities and Exchange Commission. Specifically, Regulation S provides a safe harbor from the registration requirements of the Securities Act for the offers and sales of securities by both foreign and domestic issuers that are made outside the United States.

USD-LIBOR-ICE United States Dollar London Inter-Bank Offered Rate Intercontinental Exchange

*See accompanying notes to financial statements.*

JPW

**Nuveen Flexible Investment Income Fund**  
**Portfolio of Investments**

July 31, 2016

| Shares | Description (1)  | Value      |
|--------|--|------------|
|        | <b>LONG-TERM INVESTMENTS 138.0% (99.7% of Total Investments)</b> |            |
|        | <b>COMMON STOCKS 21.8% (15.7% of Total Investments)</b>          |            |
|        | <b>Air Freight &amp; Logistics 0.7%</b>                          |            |
| 4,300  | United Parcel Service, Inc., Class B                             | \$ 464,830 |
|        | <b>Banks 1.4%</b>  |            |
| 27,400 | CIT Group Inc.   | 946,944    |
|        | <b>Biotechnology 1.3%</b>  |            |
| 11,000 | Gilead Sciences, Inc.  | 874,170    |
|        | <b>Capital Markets 2.0%</b>                                      |            |
| 31,575 | Ares Capital Corporation   | 478,046    |
| 36,338 | Hercules Technology Growth Capital, Inc.                         | 481,842    |
| 24,095 | TPG Specialty Lending, Inc.                                      | 422,867    |
|        | Total Capital Markets  | 1,382,755  |
|        | <b>Chemicals 0.6%</b>  |            |
| 59,800 | CVR Partners LP  | 437,138    |
|        | <b>Diversified Consumer Services 0.8%</b>                        |            |
| 22,300 | Stonemor Partners LP   | 588,051    |
|        | <b>Industrial Conglomerates 3.3%</b>                             |            |
| 37,800 | Philips Electronics  | 1,003,968  |
| 11,500 | Siemens AG, Sponsored ADR, (2)                                   | 1,248,233  |
|        | Total Industrial Conglomerates                                   | 2,252,201  |
|        | <b>Insurance 0.7%</b>  |            |
| 15,600 | Unum Group   | 521,196    |
|        | <b>Media 1.4%</b>  |            |
| 30,032 | National CineMedia, Inc., (3)                                    | 467,899    |
| 10,800 | Viacom Inc., Class B   | 491,076    |
|        | Total Media  | 958,975    |
|        | <b>Multiline Retail 1.5%</b>                                     |            |
| 23,200 | Nordstrom, Inc.  | 1,026,136  |
|        | <b>Pharmaceuticals 4.1%</b>                                      |            |
| 37,700 | AstraZeneca PLC, Sponsored ADR                                   | 1,287,078  |
| 33,800 | GlaxoSmithKline PLC, Sponsored ADR                               | 1,523,365  |
|        | Total Pharmaceuticals  | 2,810,443  |

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**Real Estate Investment Trust 1.9%**

|        |   |                  |
|--------|---|------------------|
| 11,100 | Apartment Investment & Management Company,<br>Class A | 510,267          |
| 29,600 | MGM Growth Properties LLC, Class A                    | 802,456          |
|        | <b>Total Real Estate Investment Trust</b>             | <b>1,312,723</b> |

**Software 0.7%**

|        |                         |         |
|--------|-------------------------|---------|
| 11,400 | Oracle Corporation, (3) | 467,856 |
|--------|-------------------------|---------|

**Tobacco 1.4%**

|        |  |                   |
|--------|--|-------------------|
| 43,332 | Vector Group Ltd.                              | 957,204           |
|        | <b>Total Common Stocks (cost \$14,626,764)</b> | <b>15,000,622</b> |

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**JPW Nuveen Flexible Investment Income Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Shares  | Description (1)                                 | Coupon | Ratings<br>(4) | Value      |
|---|---|--------|----------------|------------|
| <b>\$25 PAR (OR SIMILAR) RETAIL PREFERRED Investments) 34.0% (24.6% of Total)</b> |   |        |                |            |
| <b>Banks 4.3%</b>   |   |        |                |            |
| 19,045  | Boston Private Financial Holdings Inc.          | 6.950% | N/R            | \$ 505,645 |
| 13,800  | Citigroup Inc.                                  | 6.875% | BB+            | 410,826    |
| 17,429  | Cowen Group, Inc.                               | 8.250% | N/R            | 460,126    |
| 15,629  | FNB Corporation                                 | 7.250% | Ba2            | 508,255    |
| 19,850  | HSBC Holdings PLC                               | 8.000% | Baa1           | 532,576    |
| 20,000  | Huntington BancShares Inc.                      | 6.250% | Baa3           | 554,200    |
|   | Total Banks                                     |        |                | 2,971,628  |
| <b>Capital Markets 5.0%</b>   |   |        |                |            |
| 17,138  | Charles Schwab Corporation                      | 6.000% | BBB            | 477,979    |
| 16,900  | Hercules Technology Growth Capital Incorporated | 6.250% | BBB            | 439,062    |
| 45,028  | Ladenburg Thalmann Financial Services Inc.      | 8.000% | N/R            | 1,107,688  |
| 31,528  | Morgan Stanley                                  | 7.125% | Ba1            | 950,884    |
| 18,213  | Solar Capital Limited                           | 6.750% | BBB            | 460,789    |
|   | Total Capital Markets                           |        |                | 3,436,402  |
| <b>Consumer Finance 2.3%</b>  |   |        |                |            |
| 43,455  | GMAC Capital Trust I                            | 8.125% | B+             | 1,104,625  |
| 10,165  | SLM Corporation, Series A                       | 6.970% | Ba3            | 508,250    |
|   | Total Consumer Finance                          |        |                | 1,612,875  |
| <b>Electric Utilities 0.7%</b>  |   |        |                |            |
| 17,845  | Entergy Arkansas Inc., (2)                      | 6.450% | Baa3           | 448,356    |
| <b>Food Products 2.8%</b>   |   |        |                |            |
| 30,300  | CHS Inc.  | 7.100% | N/R            | 918,696    |
| 34,275  | CHS Inc.  | 6.750% | N/R            | 1,002,544  |
|   | Total Food Products                             |        |                | 1,921,240  |
| <b>Insurance 4.7%</b>   |   |        |                |            |
| 20,934  | Argo Group US Inc.                              | 6.500% | BBB            | 552,239    |
| 18,425  | Endurance Specialty Holdings Limited            | 6.350% | BBB            | 517,927    |
| 16,081  | Kemper Corporation                              | 7.375% | Ba1            | 448,660    |
| 5,227   | Maiden Holdings NA Limited                      | 8.000% | BBB            | 136,425    |
| 19,325  | Maiden Holdings NA Limited                      | 7.750% | BBB            | 524,867    |
| 39,300  | National General Holding Company, (3)           | 7.625% | N/R            | 1,021,800  |
|   | Total Insurance                                 |        |                | 3,201,918  |
| <b>Oil, Gas &amp; Consumable Fuels 0.7%</b>                                       |   |        |                |            |
| 1,452   | Scorpio Tankers Inc.                            | 7.500% | N/R            | 37,389     |

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|        |  |        |      |                  |
|--------|--|--------|------|------------------|
| 17,500 | Scorpio Tankers Inc.                         | 6.750% | N/R  | 432,075          |
|        | <b>Total Oil, Gas &amp; Consumable Fuels</b> |        |      | <b>469,464</b>   |
|        | <b>Real Estate Investment Trust 9.5%</b>     |        |      |                  |
| 12,282 | Arbor Realty Trust Incorporated              | 7.375% | N/R  | 314,051          |
| 14,400 | Cedar Shopping Centers Inc., Series A        | 7.250% | N/R  | 378,864          |
| 14,015 | Colony Financial Inc.                        | 7.500% | N/R  | 356,401          |
| 14,000 | Coresite Realty Corporation                  | 7.250% | N/R  | 370,300          |
| 27,300 | Digital Realty Trust Inc.                    | 7.375% | Baa3 | 780,780          |
| 35,115 | Dupont Fabros Technology                     | 0.000% | Ba2  | 987,433          |
| 18,530 | Northstar Realty Finance Corporation         | 8.875% | N/R  | 476,962          |
| 19,000 | Northstar Realty Finance Corporation         | 8.750% | N/R  | 482,980          |
| 17,725 | Penn Real Estate Investment Trust            | 8.250% | N/R  | 466,522          |
| 8,844  | Penn Real Estate Investment Trust            | 3.375% | N/R  | 233,482          |
| 10,976 | Retail Properties of America                 | 7.000% | BB   | 296,352          |
| 15,954 | Summit Hotel Properties Inc.                 | 7.875% | N/R  | 426,610          |
| 36,440 | VEREIT, Inc.                                 | 6.700% | N/R  | 984,609          |
|        | <b>Total Real Estate Investment Trust</b>    |        |      | <b>6,555,346</b> |

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| Shares                    | Description (1)  | Coupon  |          | Ratings<br>(4) | Value        |
|---------------------------|--|---------|----------|----------------|--------------|
|                           | <b>Real Estate Management &amp; Development 0.7%</b>                     |         |          |                |              |
| 17,670                    | Kennedy-Wilson Inc.  | 7.750%  |          | BB             | \$ 464,014   |
|                           | <b>Specialty Retail 1.3%</b>   |         |          |                |              |
| 36,085                    | TravelCenters of America LLC   | 8.000%  |          | N/R            | 923,415      |
|                           | <b>Wireless Telecommunication Services 2.0%</b>                          |         |          |                |              |
| 51,573                    | United States Cellular Corporation                                       | 7.250%  |          | Ba1            | 1,410,006    |
|                           | Total \$25 Par (or similar) Retail Preferred (cost \$21,412,982)         |         |          |                | 23,414,664   |
| Shares                    | Description (1)  | Coupon  | Maturity | Ratings<br>(4) | Value        |
|                           | <b>CONVERTIBLE PREFERRED SECURITIES 4.5% (3.2% of Total Investments)</b> |         |          |                |              |
|                           | <b>Banks 1.8%</b>  |         |          |                |              |
| 928                       | Wells Fargo & Company  | 7.500%  | N/A (5)  | BBB            | \$ 1,235,409 |
|                           | <b>Diversified Telecommunication Services 1.4%</b>                       |         |          |                |              |
| 9,700                     | Frontier Communications Corporation, (3)                                 | 11.125% | 6/29/18  | N/R            | 959,136      |
|                           | <b>Pharmaceuticals 1.3%</b>  |         |          |                |              |
| 1,000                     | Teva Pharmaceutical Industries Limited, (2)                              | 7.000%  | 12/15/18 | N/R            | 885,500      |
|                           | Total Convertible Preferred Securities (cost \$2,873,920)                |         |          |                | 3,080,045    |
| Principal Amount<br>(000) | Description (1)  | Coupon  | Maturity | Ratings<br>(4) | Value        |
|                           | <b>CORPORATE BONDS 64.4% (46.6% of Total Investments)</b>                |         |          |                |              |
|                           | <b>Aerospace &amp; Defense 0.7%</b>                                      |         |          |                |              |
| \$ 500                    | Triumph Group Inc.   | 4.875%  | 4/01/21  | Ba3            | \$ 479,375   |
|                           | <b>Automobiles 0.8%</b>  |         |          |                |              |
| 425                       | General Motors Corporation   | 6.600%  | 4/01/36  | BBB            | 525,968      |
|                           | <b>Banks 3.1%</b>  |         |          |                |              |
| 225                       | Bank of America Corporation  | 6.300%  | N/A (5)  | BB+            | 245,180      |
| 850                       | Citigroup Inc.   | 5.950%  | N/A (5)  | BB+            | 875,245      |
| 900                       | JPMorgan Chase & Company   | 6.750%  | N/A (5)  | BBB            | 1,013,534    |
| 1,975                     | Total Banks  |         |          |                | 2,133,959    |
|                           | <b>Beverages 2.7%</b>  |         |          |                |              |

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|                             |  |        |          |     |           |
|-----------------------------|--|--------|----------|-----|-----------|
| 1,125                       | Anheuser Busch InBev Finance Inc.                  | 4.900% | 2/01/46  | A   | 1,378,041 |
| 435                         | Cott Beverages Inc.                                | 6.750% | 1/01/20  | B   | 456,206   |
| 1,560                       | Total Beverages                                    |        |          |     | 1,834,247 |
| <b>Biotechnology 1.2%</b>   |  |        |          |     |           |
| 875                         | AMAG Pharmaceuticals Inc., 144A                    | 7.875% | 9/01/23  | B+  | 847,438   |
| <b>Capital Markets 1.1%</b> |  |        |          |     |           |
| 300                         | BGC Partners Inc.                                  | 5.375% | 12/09/19 | BBB | 316,631   |
| 475                         | Raymond James Financial Inc.                       | 4.950% | 7/15/46  | BBB | 475,872   |
| 775                         | Total Capital Markets                              |        |          |     | 792,503   |
| <b>Chemicals 4.3%</b>       |  |        |          |     |           |
| 925                         | A Schulman Inc., 144A                              | 6.875% | 6/01/23  | B+  | 938,875   |
| 450                         | CVR Partners LP / CVR Nitrogen Finance Corp., 144A | 9.250% | 6/15/23  | B+  | 460,125   |
| 1,075                       | Trinseo Materials Operating, 144A                  | 6.750% | 5/01/22  | B+  | 1,123,374 |
| 450                         | Univar Inc., 144A                                  | 6.750% | 7/15/23  | B   | 462,375   |
| 2,900                       | Total Chemicals                                    |        |          |     | 2,984,749 |

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**JPW Nuveen Flexible Investment Income Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Principal Amount<br>(000)                          | Description (1)                              | Coupon  | Maturity | Ratings<br>(4) | Value      |
|--|--|---------|----------|----------------|------------|
| <b>Commercial Services &amp; Supplies 3.4%</b>     |  |         |          |                |            |
| \$ 425   | GFL Environmental Corporation, 144A          | 7.875%  | 4/01/20  | B              | \$ 438,813 |
| 525  | GFL Environmental Corporation, 144A          | 9.875%  | 2/01/21  | B              | 569,625    |
| 945  | R.R. Donnelley & Sons Company                | 6.500%  | 11/15/23 | BB             | 930,825    |
| 450  | R.R. Donnelley & Sons Company                | 6.000%  | 4/01/24  | BB             | 423,000    |
| 2,345  | Total Commercial Services & Supplies         |         |          |                | 2,362,263  |
| <b>Consumer Finance 2.1%</b>                       |  |         |          |                |            |
| 450  | Ally Financial Inc.                          | 5.750%  | 11/20/25 | BB             | 468,563    |
| 900  | Navient Corporation                          | 8.000%  | 3/25/20  | BB             | 961,875    |
| 1,350  | Total Consumer Finance                       |         |          |                | 1,430,438  |
| <b>Diversified Telecommunication Services 7.8%</b> |  |         |          |                |            |
| 1,650  | CenturyLink Inc.                             | 7.650%  | 3/15/42  | BB+            | 1,476,750  |
| 2,195  | Frontier Communications Corporation          | 11.000% | 9/15/25  | BB             | 2,345,905  |
| 785  | GCI Inc.                                     | 6.875%  | 4/15/25  | BB             | 814,438    |
| 735  | US West Communications Company               | 6.875%  | 9/15/33  | BBB            | 734,401    |
| 5,365  | Total Diversified Telecommunication Services |         |          |                | 5,371,494  |
| <b>Food &amp; Staples Retailing 3.0%</b>           |  |         |          |                |            |
| 1,250  | Rite Aid Corporation, 144A                   | 6.125%  | 4/01/23  | B              | 1,326,563  |
| 675  | Whole Foods Market Inc., 144A                | 5.200%  | 12/03/25 | BBB            | 730,449    |
| 1,925  | Total Food & Staples Retailing               |         |          |                | 2,057,012  |
| <b>Health Care Providers &amp; Services 1.2%</b>   |  |         |          |                |            |
| 425  | Kindred Healthcare Inc.                      | 6.375%  | 4/15/22  | B              | 392,063    |
| 450  | Molina Healthcare Inc., 144A                 | 5.375%  | 11/15/22 | BB             | 459,000    |
| 875  | Total Health Care Providers & Services       |         |          |                | 851,063    |
| <b>Hotels, Restaurants &amp; Leisure 1.7%</b>      |  |         |          |                |            |
| 1,000  | McDonald's Corporation                       | 4.875%  | 12/09/45 | BBB+           | 1,196,018  |
| <b>Household Durables 1.4%</b>                     |  |         |          |                |            |
| 950  | Tempur Sealy International, Inc., 144A       | 5.500%  | 6/15/26  | BB             | 961,286    |
| <b>Machinery 5.7%</b>                              |  |         |          |                |            |
| 950  | Automation Tooling Systems, Inc., 144A       | 6.500%  | 6/15/23  | B+             | 969,000    |
| 850  | Dana Financing Luxembourg Sarl, 144A         | 6.500%  | 6/01/26  | BB+            | 871,250    |
| 730  | Meritor Inc.                                 | 6.750%  | 6/15/21  | B+             | 700,800    |

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|       |  |        |          |      |           |
|-------|--|--------|----------|------|-----------|
| 1,350 | Terex Corporation                                    | 6.000% | 5/15/21  | BB   | 1,373,625 |
| 3,880 | Total Machinery                                      |        |          |      | 3,914,675 |
|       | <b>Media 2.7%</b>                                    |        |          |      |           |
| 375   | Dish DBS Corporation, 144A                           | 7.750% | 7/01/26  | Ba3  | 388,828   |
| 1,550 | Dish DBS Corporation                                 | 5.875% | 11/15/24 | Ba3  | 1,495,750 |
| 1,925 | Total Media  |        |          |      | 1,884,578 |
|       | <b>Metals &amp; Mining 0.8%</b>                      |        |          |      |           |
| 500   | ArcelorMittal  | 8.000% | 10/15/39 | BB+  | 530,000   |
|       | <b>Real Estate Investment Trust 3.0%</b>             |        |          |      |           |
| 1,025 | Communications Sales & Leasing Inc.                  | 8.250% | 10/15/23 | BB   | 1,046,781 |
| 250   | Iron Mountain Inc.                                   | 6.000% | 8/15/23  | BB   | 265,625   |
| 250   | Iron Mountain Inc.                                   | 5.750% | 8/15/24  | B    | 256,798   |
| 475   | Select Income REIT                                   | 4.500% | 2/01/25  | Baa2 | 471,504   |
| 2,000 | Total Real Estate Investment Trust                   |        |          |      | 2,040,708 |
|       | <b>Real Estate Management &amp; Development 2.3%</b> |        |          |      |           |
| 1,250 | Greystar Real Estate Partners, LLC, 144A             | 8.250% | 12/01/22 | BB   | 1,327,350 |

| Principal Amount (000)  | Description (1)                                  | Coupon  | Maturity | Ratings (4)        | Value        |
|---|--|---------|----------|--------------------|--------------|
| <b>Real Estate Management &amp; Development (continued)</b>                   |  |         |          |                    |              |
| \$ 225  | Kennedy-Wilson Holdings Incorporated             | 5.875%  | 4/01/24  | BB                 | \$ 227,250   |
| 1,475   | Total Real Estate Management & Development       |         |          |                    | 1,554,600    |
| <b>Semiconductors &amp; Semiconductor Equipment 3.6%</b>                      |  |         |          |                    |              |
| 425   | Amkor Technology Inc.                            | 6.625%  | 6/01/21  | BB                 | 428,188      |
| 1,150   | Micron Technology, Inc., 144A                    | 5.625%  | 1/15/26  | BB                 | 1,020,625    |
| 925   | Qorvo Inc., 144A                                 | 7.000%  | 12/01/25 | BB+                | 1,002,469    |
| 2,500   | Total Semiconductors & Semiconductor Equipment   |         |          |                    | 2,451,282    |
| <b>Specialty Retail 2.8%</b>  |  |         |          |                    |              |
| 1,800   | L Brands, Inc.                                   | 6.875%  | 11/01/35 | BB+                | 1,908,900    |
| <b>Technology Hardware, Storage &amp; Peripherals 4.6%</b>                    |  |         |          |                    |              |
| 950   | Hewlett Packard Enterprise Co, 144A              | 6.350%  | 10/15/45 | A                  | 973,063      |
| 1,425   | Seagate HDD Cayman                               | 4.875%  | 6/01/27  | BBB                | 1,195,395    |
| 900   | Western Digital Corporation, 144A                | 10.500% | 4/01/24  | BB+                | 1,014,750    |
| 3,275   | Total Technology Hardware, Storage & Peripherals |         |          |                    | 3,183,208    |
| <b>Wireless Telecommunication Services 4.4%</b>                               |  |         |          |                    |              |
| 900   | Altice Financing SA, 144A                        | 7.500%  | 5/15/26  | BB                 | 909,000      |
| 1,875   | Viacom Inc.                                      | 6.875%  | 4/30/36  | BBB+               | 2,153,684    |
| 2,775   | Total Wireless Telecommunication Services        |         |          |                    | 3,062,684    |
| \$ 42,950   | Total Corporate Bonds (cost \$42,728,525)        |         |          |                    | 44,358,448   |
| <b>Principal Amount (000)/ Shares</b>   |  |         |          |                    |              |
| <b>Description (1)</b>  |  |         |          | <b>Ratings (4)</b> | <b>Value</b> |
| <b>\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED of Total Investments)</b> |  |         |          |                    |              |
| <b>Banks 5.7%</b>   |  |         |          |                    |              |
| \$ 900  | Bank of America Corporation                      | 6.500%  | N/A (5)  | BB+                | \$ 982,687   |
| 450   | Citigroup Inc.                                   | 5.800%  | N/A (5)  | BB+                | 450,000      |
| 100   | Citigroup Inc.                                   | 6.250%  | N/A (5)  | BB+                | 107,750      |
| 350   | Cobank Agricultural Credit Bank                  | 6.250%  | N/A (5)  | BBB+               | 378,822      |
| 425   | PNC Financial Services Inc.                      | 6.750%  | N/A (5)  | Baa2               | 477,594      |

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|       |   |        |         |      |           |
|-------|---|--------|---------|------|-----------|
| 450   | Wells Fargo & Company                         | 5.875% | N/A (5) | BBB  | 495,563   |
| 1,000 | Zions Bancorporation                          | 7.200% | N/A (5) | BB   | 1,055,000 |
|       | Total Banks                                   |        |         |      | 3,947,416 |
|       | <b>Capital Markets 0.3%</b>                   |        |         |      |           |
| 225   | Goldman Sachs Group Inc.                      | 5.300% | N/A (5) | Ba1  | 228,656   |
|       | <b>Consumer Finance 0.7%</b>                  |        |         |      |           |
| 475   | Capital One Financial Corporation             | 5.550% | N/A (5) | Baa3 | 481,769   |
|       | <b>Electric Utilities 1.1%</b>                |        |         |      |           |
| 700   | Emera, Inc.                                   | 0.000% | 6/15/76 | BBB  | 754,425   |
|       | <b>Food Products 3.2%</b>                     |        |         |      |           |
| 1,495 | Land O Lakes Incorporated, 144A               | 8.000% | N/A (5) | BB   | 1,573,487 |
| 575   | Land O Lakes Inc., 144A                       | 8.000% | N/A (5) | BB   | 605,188   |
|       | Total Food Products                           |        |         |      | 2,178,675 |
|       | <b>Insurance 0.7%</b>                         |        |         |      |           |
| 400   | Liberty Mutual Group, 144A                    | 7.800% | 3/15/37 | Baa3 | 445,000   |
|       | Total \$1,000 Par (or similar)                |        |         |      | 8,035,941 |
|       | Institutional Preferred<br>(cost \$7,657,124) |        |         |      |           |

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**JPW Nuveen Flexible Investment Income Fund**  
**Portfolio of Investments (continued)**

July 31, 2016

| Shares | Description (1)   | Value             |
|--------|---|-------------------|
|        | <b>COMMON STOCK RIGHTS 1.6% (1.2% of Total Investments)</b> |                   |
|        | <b>Financials 1.6%</b>                                      |                   |
| 21,025 | Merrill Lynch International Company CV, 144A, (2)           | \$ 1,111,382      |
|        | Total Common Stock Rights (cost \$1,075,008)                | 1,111,382         |
|        | <b>Total Long-Term Investments (cost \$90,374,323)</b>      | <b>95,001,102</b> |

| Principal Amount (000) | Description (1)  | Coupon | Maturity | Value                |
|------------------------|--|--------|----------|----------------------|
|                        | <b>SHORT-TERM INVESTMENTS 0.4% (0.3% of Total Investments)</b>   |        |          |                      |
|                        | <b>REPURCHASE AGREEMENTS 0.4% (0.3% of Total Investments)</b>  |        |          |                      |
| \$ 277                 | Repurchase Agreement with Fixed Income Clearing Corporation, dated 7/29/16, repurchase price \$277,235, collateralized by \$215,000 U.S. Treasury Bonds, 3.750%, due 11/15/43, value \$287,831 | 0.030% | 8/01/16  | \$ 277,234           |
|                        | <b>Total Short-Term Investments (cost \$277,234)</b>   |        |          | <b>277,234</b>       |
|                        | <b>Total Investments (cost \$90,651,557)</b>   |        |          | <b>95,278,336</b>    |
|                        | <b>138.4%</b>  |        |          |                      |
|                        | <b>Borrowings (39.2)% (6), (7)</b>   |        |          | <b>(27,000,000)</b>  |
|                        | <b>Other Assets Less Liabilities 0.8% (8)</b>  |        |          | <b>542,781</b>       |
|                        | <b>Net Assets Applicable to Common Shares 100%</b>   |        |          | <b>\$ 68,821,117</b> |

Investments in Derivatives as of July 31, 2016

**Call Options Written**

| Number of Contracts | Description  | Notional Amount (9) | Expiration Date | Strike Price | Value       |
|---------------------|--|---------------------|-----------------|--------------|-------------|
| (138)               | CIT Group Inc.   | \$ (510,600)        | 10/21/16        | \$ 37        | \$ (10,626) |
| (569)               | CVR Partners LP  | (569,000)           | 8/19/16         | 10           | (1,423)     |
| (116)               | Nordstrom, Inc.  | (522,000)           | 10/21/16        | 45           | (25,288)    |
| (156)               | Unum Group   | (561,600)           | 9/16/16         | 36           | (5,850)     |
| (979)               | Total Call Options Written (premium received \$62,794) | \$ (2,163,200)      |                 |              | \$ (43,187) |

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined

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by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
  - (2) For fair value measurement disclosure purposes, investment classified as Level 2. See Notes to Financial Statements, Note 2 – Investment Valuation and Fair Value Measurements for more information.
  - (3) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
  - (4) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
  - (5) Perpetual security. Maturity date is not applicable.
  - (6) The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings. As of the end of the reporting period, investments with a value of \$54,626,684 have been pledged as collateral for borrowings.
  - (7) Borrowings as a percentage of Total Investments is 28.3%.
  - (8) Other assets less liabilities includes the unrealized appreciation (depreciation) of certain over-the-counter (OTC) derivatives as presented on the Statement of Assets and Liabilities, when applicable. The unrealized appreciation (depreciation) of OTC-cleared and exchange-traded derivatives is recognized as part of the cash collateral at brokers and/or the receivable or payable for variation margin as presented on the Statement of Assets and Liabilities, when applicable. Other assets less liabilities also includes the value of options as presented on the Statement of Assets and Liabilities.
  - (9) For disclosure purposes, Notional Amount is calculated by multiplying the Number of Contracts by the Strike Price by 100.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those



transactions with qualified institutional buyers.

ADR American Depositary Receipt

REIT Real Estate Investment Trust

*See accompanying notes to financial statements.*

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**Statement of****Assets and Liabilities****July 31, 2016**

|   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---|---|--|--|---|
| <b>Assets</b>   |   |  |  |   |
| Long-term investments, at value (cost \$1,338,041,220, \$746,254,422, \$2,695,938,311 and \$90,374,323, respectively) | \$ 1,421,254,855  | \$ 781,528,586                                     | \$ 2,833,447,134                                     | \$ 95,001,102                                       |
| Short-term investments, at value (cost approximates value)  | 6,077,118   |  | 85,124,510   | 277,234   |
| Cash  | 1,779   |  |  |   |
| Cash collateral at brokers <sup>(1)</sup>   |   | 8,820,000  |  |   |
| Interest rate swaps premiums paid   | 2,582,545   | 2,434,836  | 5,141,974  |   |
| Receivable for:   |   |  |  |   |
| Dividends   | 1,437,536   | 410,163  | 1,545,658  | 66,635  |
| Interest  | 10,540,817  | 7,327,627  | 35,126,384   | 924,305   |
| Investments sold  | 6,080,413   | 5,225,497  | 879,329  | 181,149   |
| Reclaims  | 103,738   | 76,514   | 178,015  |   |
| Other assets  | 239,794   | 35,161   | 453,632  | 3,917   |
| <b>Total assets</b>   | <b>1,448,318,595</b>                                    | <b>805,858,384</b>                                 | <b>2,961,896,636</b>                                 | <b>96,454,342</b>                                   |
| <b>Liabilities</b>  |   |  |  |   |
| Borrowings  | 404,100,000   | 225,000,000  | 945,000,000  | 27,000,000  |
| Cash overdraft  |   | 1,402,016  |  |   |
| Options written, at value (premiums received \$156,444, \$ , \$ and \$62,794, respectively)                           | 148,573   |  |  | 43,187  |
| Unrealized depreciation on interest rate swaps  | 12,137,778  | 11,783,339   | 24,166,918   |   |
| Payable for:  |   |  |  |   |
| Dividends   | 6,393,839   | 3,659,332  | 12,517,005   | 413,038   |
| Investments purchased   | 3,337,521   | 3,555,210  | 6,006,527  | 29,137  |
| Accrued expenses:   |   |  |  |   |
| Interest on borrowings  | 58,832  | 32,758   | 129,292  | 27,501  |
| Management fees   | 976,426   | 560,242  | 1,936,389  | 68,929  |
| Trustees fees   | 228,619   | 32,618   | 441,383  | 164   |
| Other   | 220,330   | 110,791  | 880,144  | 51,269  |
| <b>Total liabilities</b>  | <b>427,601,918</b>                                      | <b>246,136,306</b>                                 | <b>991,077,658</b>                                   | <b>27,633,225</b>                                   |
| Net assets applicable to common shares  | \$ 1,020,716,677  | \$ 559,722,078                                     | \$ 1,970,818,978                                     | \$ 68,821,117                                       |
| Common shares outstanding   | 96,897,257  | 22,754,347   | 203,807,231  | 3,698,750   |
| Net asset value ( NAV ) per common share outstanding  | \$ 10.53  | \$ 24.60   | \$ 9.67  | \$ 18.61  |
| <b>Net assets applicable to common shares consist of:</b>   |   |  |  |   |
|   | \$ 968,973  | \$ 227,543   | \$ 2,038,072   | \$ 36,988   |

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Common shares, \$0.01 par value per share

|  |                  |                |                  |               |
|--|------------------|----------------|------------------|---------------|
| Paid-in surplus  | 1,186,475,534    | 541,847,349    | 2,517,218,578    | 69,756,713    |
| Undistributed (Over-distribution of) net investment income | (4,105,940)      | (2,306,771)    | 7,301,841        | (417,194)     |
| Accumulated net realized gain (loss)                       | (233,702,908)    | (3,536,868)    | (669,081,418)    | (5,201,776)   |
| Net unrealized appreciation (depreciation)                 | 71,081,018       | 23,490,825     | 113,341,905      | 4,646,386     |
| Net assets applicable to common shares                     | \$ 1,020,716,677 | \$ 559,722,078 | \$ 1,970,818,978 | \$ 68,821,117 |
| Authorized shares:   |                  |                |                  |               |
| Common   | Unlimited        | Unlimited      | Unlimited        | Unlimited     |
| Preferred  | Unlimited        | Unlimited      | Unlimited        | Unlimited     |

(1) Cash pledged to collateralize the net payment obligations for investments in derivatives.

*See accompanying notes to financial statements.*

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**Statement of****Operations****Year Ended July 31, 2016**

|   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---|---|--|--|---|
| <b>Investment Income</b>  |   |  |  |   |
| Dividends (net of tax withheld of \$116,596,<br>\$33,828, \$ and \$8,422, respectively) | \$ 47,026,077   | \$ 18,366,502                                      | \$ 36,252,356  | \$ 2,663,994  |
| Interest  | 44,193,574  | 33,574,500   | 83,678,971   | 3,067,009   |
| Other   | 373,909   | 209,689  | 472,846  |   |
| Total investment income   | 91,593,560  | 52,150,691   | 120,404,173  | 5,731,003   |
| <b>Expenses</b>   |   |  |  |   |
| Management fees   | 11,386,857  | 6,613,310  | 15,445,924   | 787,500   |
| Interest expense on borrowings  | 4,951,242   | 2,756,817  | 6,572,224  | 283,633   |
| Custodian fees  | 184,990   | 95,730   | 220,393  | 54,764  |
| Trustees fees   | 41,332  | 20,214   | 61,467   | 2,801   |
| Professional fees   | 104,381   | 58,395   | 121,839  | 40,365  |
| Shareholder reporting expenses  | 197,897   | 75,739   | 300,979  | 15,704  |
| Shareholder servicing agent fees  | 3,917   | 164  | 5,451  | 141   |
| Stock exchange listing fees   | 31,017  | 7,889  | 38,542   | 7,889   |
| Investor relations expenses   | 116,988   | 64,961   | 186,523  | 31,492  |
| Reorganization expenses   |   |  | 1,030,000  |   |
| Other   | 42,311  | 28,670   | 202,333  | 10,850  |
| Total expenses  | 17,060,932  | 9,721,889  | 24,185,675   | 1,235,139   |
| Net investment income (loss)  | 74,532,628  | 42,428,802   | 96,218,498   | 4,495,864   |
| <b>Realized and Unrealized Gain (Loss)</b>  |   |  |  |   |
| Net realized gain (loss) from:  |   |  |  |   |
| Investments and foreign currency  | (10,668,071)  | (4,958,896)  | 26,780,229   | (3,108,172)   |
| Options written   | 675,301   |  |  | 191,671   |
| Swaps   | (201,344)   | (188,141)  | (315,121)  |   |
| Change in net unrealized appreciation<br>(depreciation) of:                             |   |  |  |   |
| Investments and foreign currency  | 30,658,823  | 12,020,430   | 14,627,646   | 3,687,179   |
| Options written   | (34,447)  |  |  | 7,904   |
| Swaps   | (9,202,900)   | (7,177,526)  | (20,717,250)   |   |
| Net realized and unrealized gain (loss)   | 11,227,362  | (304,133)  | 20,375,504   | 778,582   |
| Net increase (decrease) in net assets applicable<br>to common shares from operations    | \$ 85,759,990   | \$ 42,124,669                                      | \$ 116,594,002                                       | \$ 5,274,446  |

*See accompanying notes to financial statements.*

**Statement of****Changes in Net Assets**

|   | <b>Preferred Income Opportunities (JPC)</b> |                           | <b>Preferred and Income Term (JPI)</b> |                           |
|---|---|---------------------------|--|---------------------------|
|   | <b>Year Ended 7/31/16</b>                   | <b>Year Ended 7/31/15</b> | <b>Year Ended 7/31/16</b>              | <b>Year Ended 7/31/15</b> |
| <b>Operations</b>   |   |                           |  |                           |
| Net investment income (loss)  | \$ 74,532,628                               | \$ 77,143,927             | \$ 42,428,802                          | \$ 44,685,722             |
| Net realized gain (loss) from:  |   |                           |  |                           |
| Investments and foreign currency  | (10,668,071)                                | 11,902,076                | (4,958,896)                            | 6,053,459                 |
| Options written   | 675,301                                     | 802,961                   |  |                           |
| Securities sold short   |   |                           |  |                           |
| Swaps   | (201,344)                                   | (2,050,447)               | (188,141)                              |                           |
| Change in net unrealized appreciation (depreciation) of:  |   |                           |  |                           |
| Investments and foreign currency  | 30,658,823                                  | (28,008,403)              | 12,020,430                             | (14,799,658)              |
| Options written   | (34,447)                                    | 42,318                    |  |                           |
| Swaps   | (9,202,900)                                 | (6,433,583)               | (7,177,526)                            | (6,203,119)               |
| Net increase (decrease) in net assets applicable to common shares from operations                 | 85,759,990                                  | 53,398,849                | 42,124,669                             | 29,736,404                |
| <b>Distributions to Common Shareholders</b>   |   |                           |  |                           |
| From net investment income  | (77,898,962)                                | (74,952,966)              | (44,427,328)                           | (44,115,359)              |
| From accumulated net realized gains   |   |                           | (4,150,107)                            |                           |
| Return of Capital   |   |                           |  |                           |
| Decrease in net assets applicable to common shares from distributions to common shareholders      | (77,898,962)                                | (74,952,966)              | (48,577,435)                           | (44,115,359)              |
| <b>Capital Share Transactions</b>   |   |                           |  |                           |
| Common shares:  |   |                           |  |                           |
| Issued in the Reorganizations   |   |                           |  |                           |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions              | 89,735                                      |                           | 37,720                                 |                           |
| Cost of shares repurchased and retired  |   | (825,508)                 |  |                           |
| Net increase (decrease) in net assets applicable to common shares from capital share transactions | 89,735                                      | (825,508)                 | 37,720                                 |                           |
| Net increase (decrease) in net assets applicable to common shares                                 | 7,950,763                                   | (22,379,625)              | (6,415,046)                            | (14,378,955)              |
| Net assets applicable to common shares at the beginning of period                                 | 1,012,765,914                               | 1,035,145,539             | 566,137,124                            | 580,516,079               |
| Net assets applicable to common shares at the end of period                                       | \$ 1,020,716,677                            | \$ 1,012,765,914          | \$ 559,722,078                         | \$ 566,137,124            |

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|   |    |             |    |           |    |             |    |           |
|---|----|-------------|----|-----------|----|-------------|----|-----------|
| Undistributed (Over-distribution of)<br>net investment income at the end of<br>period | \$ | (4,105,940) | \$ | 1,637,742 | \$ | (2,306,771) | \$ | 1,261,626 |
|---|----|-------------|----|-----------|----|-------------|----|-----------|

*See accompanying notes to financial statements.*

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## Statement of Changes in Net Assets (continued)

|   | Preferred Securities Income (JPS) |                          | Flexible Investment Income (JPW) |                          |
|---|-----------------------------------|--------------------------|----------------------------------|--------------------------|
|   | Year<br>Ended<br>7/31/16          | Year<br>Ended<br>7/31/15 | Year<br>Ended<br>7/31/16         | Year<br>Ended<br>7/31/15 |
| <b>Operations</b>   |                                   |                          |                                  |                          |
| Net investment income (loss)  | \$ 96,218,498                     | \$ 82,458,770            | \$ 4,495,864                     | \$ 5,071,834             |
| Net realized gain (loss) from:  |                                   |                          |                                  |                          |
| Investments and foreign currency  | 26,780,229                        | 2,886,183                | (3,108,172)                      | (1,921,095)              |
| Options written   |                                   |                          | 191,671                          | 236,521                  |
| Securities sold short   |                                   |                          |                                  | 2,461                    |
| Swaps   | (315,121)                         | (2,270,269)              |                                  |                          |
| Change in net unrealized appreciation<br>(depreciation) of:   |                                   |                          |                                  |                          |
| Investments and foreign currency  | 14,627,646                        | (10,869,655)             | 3,687,179                        | (1,213,518)              |
| Options written   |                                   |                          | 7,904                            | 11,703                   |
| Swaps   | (20,717,250)                      | (7,688,673)              |                                  |                          |
| Net increase (decrease) in net assets<br>applicable to common shares from<br>operations                 | 116,594,002                       | 64,516,356               | 5,274,446                        | 2,187,906                |
| <b>Distributions to Common<br/>Shareholders</b>   |                                   |                          |                                  |                          |
| From net investment income  | (98,299,558)                      | (87,983,215)             | (4,498,378)                      | (5,478,707)              |
| From accumulated net realized gains   |                                   |                          |                                  | (1,783,583)              |
| Return of capital   |                                   |                          | (735,483)                        |                          |
| Decrease in net assets applicable to<br>common shares from distributions to<br>common shareholders      | (98,299,558)                      | (87,983,215)             | (5,233,861)                      | (7,262,290)              |
| <b>Capital Share Transactions</b>   |                                   |                          |                                  |                          |
| Common shares:  |                                   |                          |                                  |                          |
| Issued in the Reorganizations   | 778,167,361                       |                          |                                  |                          |
| Net proceeds from shares issued to<br>shareholders due to reinvestment of<br>distributions              | 98,377                            |                          |                                  |                          |
| Cost of shares repurchased and retired  |                                   |                          | (92,957)                         |                          |
| Net increase (decrease) in net assets<br>applicable to common shares from<br>capital share transactions | 778,265,738                       |                          | (92,957)                         |                          |
| Net increase (decrease) in net assets<br>applicable to common shares                                    | 796,560,182                       | (23,466,859)             | (52,372)                         | (5,074,384)              |
| Net assets applicable to common<br>shares at the beginning of period                                    | 1,174,258,796                     | 1,197,725,655            | 68,873,489                       | 73,947,873               |
| Net assets applicable to common<br>shares at the end of period  | \$ 1,970,818,978                  | \$ 1,174,258,796         | \$ 68,821,117                    | \$ 68,873,489            |
|   | \$ 7,301,841                      | \$ 10,224,717            | \$ (417,194)                     | \$ (555,988)             |

Undistributed (Over-distribution of)  
net investment income at the end of  
period

*See accompanying notes to financial statements.*



## Statement of

## Cash Flows

Year Ended July 31, 2016

|  | Preferred<br>Income<br>Opportunities<br>(JPC) | Preferred<br>and Income<br>Term<br>(JPI) | Preferred<br>Securities<br>Income<br>(JPS) | Flexible<br>Investment<br>Income<br>(JPW) |
|--|---|--|--|---|
| <b>Cash Flows from Operating Activities:</b>   |   |  |  |   |
| <b>Net Increase (Decrease) In Net Assets Applicable to Common Shares from Operations</b>   | \$ 85,759,990                                 | \$ 42,124,669                            | \$ 116,594,002                             | \$ 5,274,446                              |
| Adjustments to reconcile the net increase (decrease) in net assets applicable to common shares from operations to net cash provided by (used in) operating activities: |   |  |  |   |
| Purchases of investments   | (385,862,540)                                 | (175,814,087)                            | (759,637,954)                              | (55,076,321)                              |
| Proceeds from sales and maturities of investments  | 392,869,468                                   | 187,072,995                              | 660,623,742                                | 58,262,018                                |
| Proceeds from (Purchases of) short-term investments, net   | 6,915,815                                     | 4,677,630                                | (50,946,490)                               | 2,375,202                                 |
| Proceeds from (Payments for) swap contracts, net   | (201,344)                                     | (188,141)                                | (315,121)                                  |   |
| Premiums received for options written  | 1,166,113                                     |  |  | 349,668                                   |
| Cash paid for terminated options written   | (560,937)                                     |  |  | (160,941)                                 |
| Premiums received (paid) for interest rate swaps   | (2,582,545)                                   | (2,434,836)                              | (4,089,932)                                |   |
| Amortization (Accretion) of premiums and discounts, net  | 193,063                                       | 262,185                                  | 407,479                                    | (24,646)                                  |
| (Increase) Decrease in:  |   |  |  |   |
| Cash collateral at brokers   |   | (5,940,000)                              |  |   |
| Receivable for dividends   | (149,717)                                     | 40,958                                   | 40,366                                     | 41,077                                    |
| Receivable for interest  | (1,340,849)                                   | 10,269                                   | (7,443,498)                                | (200,950)                                 |
| Receivable for investments sold  | (2,456,941)                                   | (4,898,940)                              | (879,329)                                  | (181,149)                                 |
| Receivable for reclaims  | 8,871   | 5,553                                    | (62,950)                                   | 2,364                                     |
| Other assets   | 8,960   | (1,934)                                  | 1,933                                      | 170                                       |
| Increase (Decrease) in:  |   |  |  |   |
| Payable for investments purchased  | (6,241,813)                                   | 416,233                                  | 2,756,895                                  | (1,524,491)                               |
| Accrued interest on borrowings   | 35,560  | 19,800                                   | 102,467                                    | 4,556                                     |
| Accrued management fees  | (9,346)                                       | (13,803)                                 | 775,260                                    | (3,516)                                   |
| Accrued Trustees fees  | (4,630)                                       | 3,671                                    | 179,994                                    | (37)                                      |
| Accrued other expenses   | (3,719)                                       | (6,641)                                  | (372,650)                                  | 11,804                                    |
| Net realized (gain) loss from:   |   |  |  |   |
| Investments and foreign currency   | 10,668,071                                    | 4,958,896                                | (26,780,229)                               | 3,108,172                                 |
| Options written  | (675,301)                                     |  |  | (191,671)                                 |

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|   |   |  |  |   |
|---|---|--|--|---|
| Swaps   | 201,344                                     | 188,141                                | 315,121                                  |   |
| Change in net unrealized (appreciation) depreciation of:  |   |  |  |   |
| Investments and foreign currency  | (30,658,823)                                | (12,020,430)                           | (14,627,646)                             | (3,687,179)                             |
| Options written   | 34,447                                      |  |  | (7,904)                                 |
| Swaps   | 9,202,900                                   | 7,177,526                              | 20,717,250                               |   |
| Net cash provided by (used in) operating activities   | 76,316,097                                  | 45,639,714                             | (62,641,290)                             | 8,370,672                               |
| <b>Cash Flows from Financing Activities</b>   |   |  |  |   |
| Proceeds from borrowings  |   |  | 155,200,000                              | 2,500,000                               |
| Repayments of borrowings  |   |  |  | (5,500,000)                             |
| Increase (Decrease) in cash overdraft   |   | 1,402,016                              |  |   |
| Cash distributions paid to common shareholders  | (77,795,407)                                | (48,522,819)                           | (92,558,710)                             | (5,277,715)                             |
| Cost of common shares repurchased and retired   |   |  |  | (92,957)                                |
| Net cash provided by (used in) financing activities   | (77,795,407)                                | (47,120,803)                           | 62,641,290                               | (8,370,672)                             |
| <b>Net Increase (Decrease) in Cash</b>  | <b>(1,479,310)</b>                          | <b>(1,481,089)</b>                     |  |   |
| Cash at the beginning of period   | 1,481,089                                   | 1,481,089                              |  |   |
| Cash at the end of period   | \$ 1,779                                    | \$                                     | \$                                       | \$                                      |
|   | <b>Preferred Income Opportunities (JPC)</b> | <b>Preferred and Income Term (JPI)</b> | <b>Preferred Securities Income (JPS)</b> | <b>Flexible Investment Income (JPW)</b> |
| <b>Supplemental Disclosure of Cash Flow Information*</b>  |   |  |  |   |
| Cash paid for interest on borrowings (excluding borrowing costs)  | \$ 4,915,682                                | \$ 2,737,017                           | \$ 6,469,757                             | \$ 279,077                              |
| Non-cash financing activities not included herein consists of reinvestments of common share distributions | 89,735                                      | 37,720                                 | 98,377                                   |   |

\* See Notes to Financial Statements, Note 1 General Information and Significant Accounting Policies, Fund Reorganizations for more information of the non-cash activities related to Preferred Securities Income s (JPS) Reorganization.

See accompanying notes to financial statements.

**Financial****Highlights**

Selected data for a common share outstanding throughout each period:

|   | Investment Operations               |                                       |   | Less Distributions to<br>Common Shareholders |   |                                  | Common Share  |               | Ending<br>Share<br>Price |          |
|---|-------------------------------------|---------------------------------------|---|--|---|----------------------------------|---|---------------|--------------------------|----------|
|   | Beginning<br>Common<br>Share<br>NAV | Net<br>Investment<br>Income<br>(Loss) | Net<br>Realized/<br>Unrealized<br>Gain (Loss) | Total<br>Investment<br>Income                | From<br>Accumulated<br>Net<br>Realized<br>Gains | From<br>Net<br>Realized<br>Gains | Discount<br>from<br>Shares<br>Repurchased<br>and<br>Retired | Ending<br>NAV |                          |          |
| <b>Preferred Income Opportunities (JPC)</b> |                                     |                                       |   |  |   |                                  |   |               |                          |          |
| Year Ended 7/31:                            |                                     |                                       |   |  |   |                                  |   |               |                          |          |
| 2016  | \$ 10.45                            | \$ 0.77                               | \$ 0.11                                       | \$ 0.88                                      | \$(0.80)  | \$                               | \$(0.80)  | \$            | \$ 10.53                 | \$ 10.43 |
| 2015  | 10.67                               | 0.80                                  | (0.25)  | 0.55   | (0.77)  |                                  | (0.77)  | *             | 10.45                    | 9.19     |
| 2014  | 10.26                               | 0.79                                  | 0.38  | 1.17   | (0.76)  |                                  | (0.76)  | *             | 10.67                    | 9.34     |
| 2013(g)                                     | 10.28                               | 0.46                                  | (0.04)  | 0.42   | (0.44)  |                                  | (0.44)  |               | 10.26                    | 9.35     |
| Year Ended 12/31:                           |                                     |                                       |   |  |   |                                  |   |               |                          |          |
| 2012  | 8.67                                | 0.76                                  | 1.61  | 2.37   | (0.76)  |                                  | (0.76)  |               | 10.28                    | 9.71     |
| 2011  | 9.62                                | 0.51                                  | (0.72)  | (0.21)                                       | (0.75)  |                                  | (0.75)  | 0.01          | 8.67                     | 8.01     |
| <b>Preferred and Income Term (JPI)</b>      |                                     |                                       |   |  |   |                                  |   |               |                          |          |
| Year Ended 7/31:                            |                                     |                                       |   |  |   |                                  |   |               |                          |          |
| 2016  | 24.88                               | 1.86                                  | (0.01)  | 1.85   | (1.95)  | (0.18)                           | (2.13)  |               | 24.60                    | 24.59    |
| 2015  | 25.51                               | 1.96                                  | (0.65)  | 1.31   | (1.94)  |                                  | (1.94)  |               | 24.88                    | 22.28    |
| 2014  | 25.06                               | 1.98                                  | 0.93  | 2.91   | (1.97)  | (0.49)                           | (2.46)  |               | 25.51                    | 23.11    |
| 2013  | 23.81                               | 1.89                                  | 1.32  | 3.21   | (1.86)  | (0.10)                           | (1.96)  | *             | 25.06                    | 23.68    |
| 2012(h)                                     | 23.88                               | *                                     | (0.02)  | (0.02)                                       |   |                                  |   | (0.05)        | 23.81                    | 25.50    |

|   | Borrowings at the End of<br>Period(j)       |                                  |
|---|---|----------------------------------|
|   | Aggregate<br>Amount<br>Outstanding<br>(000) | Asset<br>Coverage<br>Per \$1,000 |
| <b>Preferred Income Opportunities (JPC)</b> |   |                                  |
| Year Ended 7/31:                            |   |                                  |
| 2016  | \$ 404,100                                  | \$ 3,526                         |
| 2015  | 404,100                                     | 3,506                            |
| 2014  | 402,500                                     | 3,572                            |
| 2013(g)                                     | 402,500                                     | 3,473                            |

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Year Ended 12/31:

|      |         |       |
|------|---------|-------|
| 2012 | 383,750 | 3,599 |
| 2011 | 348,000 | 3,416 |

**Preferred and Income Term (JPI)**

Year Ended 7/31:

|      |         |       |
|------|---------|-------|
| 2016 | 225,000 | 3,488 |
| 2015 | 225,000 | 3,516 |
| 2014 | 225,000 | 3,580 |
| 2013 | 225,000 | 3,535 |

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Price the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

| <b>Common Share Supplemental Data/<br/>Ratios Applicable to Common Shares</b> |  |   |  |   |   |   |   |   |
|---|--|---|--|---|---|---|---|---|
| <b>Common Share<br/>Total Returns</b>   |  | <b>Ratios to Average Net<br/>Assets<br/>Before<br/>Reimbursement(c)</b> |  |   | <b>Ratios to Average Net<br/>Assets<br/>After Reimbursement(c)(d)</b> |   |   |   |
|   |  | <b>Based<br/>on<br/>Share<br/>Price(b)</b>                              | <b>Ending<br/>Net<br/>Assets (000)</b> | <b>Expenses</b>                             | <b>Net<br/>Investment<br/>Income (Loss)</b>                           | <b>Expenses</b>                             | <b>Net<br/>Investment<br/>Income (Loss)</b> | <b>Portfolio<br/>Turnover<br/>Rate(f)</b> |
| <b>Based<br/>on<br/>NAV(b)</b>  | <b>Based<br/>on<br/>Share<br/>Price(b)</b> | <b>Ending<br/>Net<br/>Assets (000)</b>                                  | <b>Expenses</b>                        | <b>Net<br/>Investment<br/>Income (Loss)</b> | <b>Expenses</b>   | <b>Net<br/>Investment<br/>Income (Loss)</b> | <b>Portfolio<br/>Turnover<br/>Rate(f)</b>   |   |
| 9.01%   | 23.47%                                     | \$ 1,020,717  | 1.73%                                  | 7.58%                                       | N/A   | N/A   | 17%   |   |
| 5.36  | 6.76                                       | 1,012,766   | 1.63                                   | 7.55  | N/A   | N/A   | 44  |   |
| 11.97   | 8.50                                       | 1,035,146   | 1.67                                   | 7.73  | N/A   | N/A   | 41  |   |
| 4.09  | 0.63                                       | 995,460   | 1.67***                                | 7.47***                                     | N/A   | N/A   | 27  |   |
| 28.17   | 31.44                                      | 997,484   | 1.79                                   | 7.85  | N/A   | N/A   | 123   |   |
| (2.23)  | 4.95                                       | 840,643   | 1.73                                   | 5.40  | 1.70%   | 5.43%                                       | 34  |   |
| 7.96  | 20.97                                      | 559,722   | 1.77                                   | 7.73  | N/A   | N/A   | 23  |   |
| 5.30  | 4.83                                       | 566,137   | 1.66                                   | 7.80  | N/A   | N/A   | 26  |   |
| 12.34   | 8.71                                       | 580,516   | 1.73                                   | 7.96  | N/A   | N/A   | 37  |   |
| 13.69   | 0.41                                       | 570,298   | 1.72                                   | 7.51  | N/A   | N/A   | 57  |   |
| (0.23)  | 2.00                                       | 476,252   | 0.97***                                | (0.96)***                                   | N/A   | N/A   |   |   |

(c) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to borrowings, where applicable, as described in Note 8 Borrowing Arrangements. Each ratio includes the effect of dividends expense on securities sold short and all interest expense paid and other costs related to borrowings, where applicable, as follows:

| <b>Ratios of Dividends Expense on<br/>Securities Sold Short<br/>to Average<br/>Net<br/>Assets<br/>Applicable<br/>Ratios of Interest Expense<br/>to Average Net Assets<br/>Common Shares</b> |   |         |
|---|---|---------|
| <b>Preferred Income Opportunities Fund (Common Shares)</b>  |   |         |
| <b>Year Ended 7/31:</b>   |   |         |
| 2016  | % | 0.50%   |
| 2015  |   | 0.41    |
| 2014  |   | 0.43    |
| 2013(g)   |   | 0.45*** |

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|                   |    |      |
|-------------------|----|------|
| Year Ended 12/31: |    |      |
| 2012              |    | 0.52 |
| 2011              | ** | 0.43 |

**Preferred and Income Term (JPI)**

|                  |   |         |
|------------------|---|---------|
| Year Ended 7/31: |   |         |
| 2016             | % | 0.50%   |
| 2015             |   | 0.41    |
| 2014             |   | 0.45    |
| 2013(i)          |   | 0.48*** |

- (d) After expense reimbursement from the Adviser, where applicable. As of March 31, 2011, the Adviser is no longer reimbursing Preferred Income Opportunities (JPC) for any fees or expenses.
- (e) Effective for periods beginning after December 31, 2011, Preferred Income Opportunities (JPC) no longer makes short sales of securities.
- (f) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.
- (g) For the seven months ended July 31, 2013.
- (h) For the period July 26, 2012 (commencement of operations) through July 31, 2012.
- (i) For the period August 29, 2012 (first utilization date of borrowings) through July 31, 2013.
- (j) Preferred Income Term (JPI) did not utilize borrowings prior to the fiscal year ended July 31, 2013.

N/A The Fund does not have or no longer has a contractual reimbursement agreement with the Adviser.

\* Rounds to less than \$0.01 per share.

\*\* Rounds to less than 0.01%.

\*\*\* Annualized.

*See accompanying notes to financial statements.*

**Financial Highlights** (continued)

Selected data for a common share outstanding throughout each period:

|  | Investment Operations               |                                       |   | Less Distributions to<br>Common Shareholders |   |                         | Discount                                |                   | Common Share  |                          |
|--|-------------------------------------|---------------------------------------|---|--|---|-------------------------|---|-------------------|---------------|--------------------------|
|  | Beginning<br>Common<br>Share<br>NAV | Net<br>Investment<br>Income<br>(Loss) | Net<br>Realized/<br>Unrealized<br>Gain (Loss) | Total<br>Investment<br>Income                | From<br>Accumulated<br>Net<br>Realized<br>Gains | Return<br>of<br>Capital | Repurchased<br>Shares<br>and<br>Retired | Offering<br>Costs | Ending<br>NAV | Ending<br>Share<br>Price |
| <b>Preferred Securities Income (JPS)</b> |                                     |                                       |   |  |   |                         |   |                   |               |                          |
| Year Ended 7/31:                         |                                     |                                       |   |  |   |                         |   |                   |               |                          |
| 2016                                     | \$ 9.75                             | \$ 0.69                               | \$ (0.07)                                     | \$ 0.62                                      | \$ (0.70)                                       | \$                      | \$ (0.70)                               | \$                | \$ 9.67       | \$ 9.63                  |
| 2015                                     | 9.95                                | 0.68                                  | (0.15)  | 0.53   | (0.73)  |                         | (0.73)                                  |                   | 9.75          | 9.08                     |
| 2014                                     | 9.45                                | 0.69                                  | 0.47  | 1.16   | (0.66)  |                         | (0.66)                                  |                   | 9.95          | 8.92                     |
| 2013                                     | 9.12                                | 0.69                                  | 0.30  | 0.99   | (0.66)  |                         | (0.66)                                  |                   | 9.45          | 8.47                     |
| 2012                                     | 8.77                                | 0.69                                  | 0.32  | 1.01   | (0.66)  |                         | (0.66)                                  |                   | 9.12          | 9.34                     |
| <b>Flexible Investment Income (JPW)</b>  |                                     |                                       |   |  |   |                         |   |                   |               |                          |
| Year Ended 7/31:                         |                                     |                                       |   |  |   |                         |   |                   |               |                          |
| 2016                                     | 18.59                               | 1.21                                  | 0.22  | 1.43   | (1.21)  | (0.20)                  | (1.41)                                  | *                 | 18.61         | 16.78                    |
| 2015                                     | 19.96                               | 1.37                                  | (0.78)  | 0.59   | (1.47)  | (0.49)                  | (1.96)                                  |                   | 18.59         | 16.30                    |
| 2014                                     | 18.91                               | 1.42                                  | 1.14  | 2.56   | (1.51)  |                         | (1.51)                                  | *                 | 19.96         | 18.28                    |
| 2013(e)                                  | 19.10                               | 0.03                                  | (0.18)  | (0.15)                                       |   |                         |   | (0.04)            | 18.91         | 19.80                    |

|  | Borrowings at End of Period(i)<br>Aggregate<br>Amount<br>Outstanding<br>(000) | Asset<br>Coverage<br>Per \$1,000 |
|--|---|----------------------------------|
|--|---|----------------------------------|

**Preferred Securities Income (JPS)**

Year Ended 7/31:

|      |            |          |
|------|------------|----------|
| 2016 | \$ 945,000 | \$ 3,086 |
| 2015 | 465,800    | 3,521    |
| 2014 | 464,000    | 3,581    |
| 2013 | 464,000    | 3,451    |
| 2012 | 427,000    | 3,570    |

**Flexible Investment Income (JPW)**

Year Ended 7/31:

|      |        |       |
|------|--------|-------|
| 2016 | 27,000 | 3,549 |
| 2015 | 30,000 | 3,296 |

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2014

30,000

3,465

68 NUVEEN



| Common Share<br>Total Returns |                                  | Common Share Supplemental Data/<br>Ratios Applicable to Common Shares |          |                                    |   |                                    |     | Portfolio<br>Turnover<br>Rate(f) |
|-------------------------------|----------------------------------|---|----------|------------------------------------|---|------------------------------------|-----|----------------------------------|
|                               |                                  | Ratios to Average Net<br>Assets<br>Before<br>Reimbursement(c)         |          |                                    | Ratios to Average Net<br>Assets<br>After<br>Reimbursement(c)(d) |                                    |     |                                  |
| Based<br>on<br>NAV(b)         | Based<br>on<br>Share<br>Price(b) | Ending<br>Net<br>Assets (000)   | Expenses | Net<br>Investment<br>Income (Loss) | Expenses  | Net<br>Investment<br>Income (Loss) |     |                                  |
| 6.77%                         | 14.48%                           | \$ 1,970,819  | 1.84%    | 7.31%                              | N/A   | N/A                                | 36% |                                  |
| 5.47                          | 10.35                            | 1,174,259   | 1.64     | 6.92                               | 1.64(h)   | 6.92(h)                            | 8   |                                  |
| 12.83                         | 13.76                            | 1,197,726   | 1.69     | 7.32                               | N/A   | N/A                                | 16  |                                  |
| 10.98                         | (2.63)                           | 1,137,303   | 1.71     | 7.23                               | N/A   | N/A                                | 32  |                                  |
| 12.32                         | 25.17                            | 1,097,385   | 1.80     | 8.13                               | N/A   | N/A                                | 19  |                                  |
| 8.49                          | 12.89                            | 68,821  | 1.91     | 6.96                               | N/A   | N/A                                | 63  |                                  |
| 3.19                          | (0.02)                           | 68,873  | 1.82     | 7.15                               | N/A   | N/A                                | 122 |                                  |
| 14.26                         | 0.80                             | 73,948  | 1.70     | 7.51                               | N/A   | N/A                                | 71  |                                  |
| (0.99)                        | (1.00)                           | 66,297  | 1.40**   | 1.93**                             | N/A   | N/A                                | 3   |                                  |

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

(c) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to borrowings, where applicable, as described in Note 8 Borrowing Arrangements.

Each ratio includes the effect of all interest expense paid and other costs related to borrowings as follows:

**Ratios of Interest Expense  
to Average Net Assets  
Applicable to Common Shares**

**Preferred Securities Income (JPS)**

Year Ended 7/31:

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|   |        |
|---|--------|
| 2016                                    | 0.50%  |
| 2015                                    | 0.40   |
| 2014                                    | 0.43   |
| 2013                                    | 0.47   |
| 2012                                    | 0.55   |
| <b>Flexible Investment Income (JPW)</b> |        |
| Year Ended 7/31:                        |        |
| 2016                                    | 0.44%  |
| 2015                                    | 0.37   |
| 2014(g)                                 | 0.33** |

- (d) After expense reimbursement from the Adviser, where applicable. As of September 30, 2010, the Adviser is no longer reimbursing Preferred Securities Income (JPS), respectively, for any fees or expenses.
- (e) For the period June 25, 2013 (commencement of operations) through July 31, 2013.
- (f) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.
- (g) For the period August 13, 2013 (first utilization date of borrowings) through July 31, 2014.
- (h) During the fiscal year ended July 31, 2015, the Adviser voluntarily reimbursed the Fund for certain expenses incurred in connection with a common share equity shelf program. As a result, the Expenses and Net Investment Income (Loss) Ratios to Average Net Assets Applicable to Common Shares reflect this voluntary expense reimbursement from Adviser.
- (i) Flexible Investment Income (JPW) did not utilize borrowings prior to the fiscal year ended July 31, 2014.

\* Rounds to less than \$0.01 per share.

\*\* Annualized.

N/A The Fund does not have or no longer has a contractual reimbursement agreement with the Adviser.

*See accompanying notes to financial statements.*

**Notes to**

**Financial Statements**

**1. General Information and Significant Accounting Policies**

**General Information**

*Fund Information*

The funds covered in this report and their corresponding New York Stock Exchange ( NYSE ) symbols are as follows (each a Fund and collectively, the Funds ):

Nuveen Preferred Income Opportunities Fund (JPC) ( Preferred Income Opportunities (JPC) )

Nuveen Preferred and Income Term Fund (JPI) ( Preferred and Income Term (JPI) )

Nuveen Preferred Securities Income Fund (JPS) ( Preferred Securities Income (JPS) )

Nuveen Flexible Investment Income Fund (JPW) ( Flexible Investment Income (JPW) )

The Funds are registered under the Investment Company Act of 1940, as amended, as diversified closed-end management investment companies. Preferred Income Opportunities (JPC), Preferred and Income Term (JPI), Preferred Securities Income (JPS) and Flexible Investment Income (JPW) were each organized as Massachusetts business trusts on January 27, 2003, April 18, 2012, June 24, 2002 and March 28, 2013, respectively.

The end of the reporting period for the Funds is July 31, 2016, and the period covered by these Notes to Financial Statements is the fiscal year ended July 31, 2016 (the current fiscal period ).

Effective May 9, 2016, in conjunction with its reorganization, Preferred Securities Income Fund (JPS) changed its name from Nuveen Quality Preferred Income Fund 2.

*Investment Adviser*

The Funds investment adviser is Nuveen Fund Advisors, LLC (the Adviser ), a wholly-owned subsidiary of Nuveen Investments, Inc. ( Nuveen ). Nuveen is an operating division of TIAA Global Asset Management. The Adviser has overall responsibility for management of the Funds, oversees the management of the Funds portfolios, manages the Funds business affairs and provides certain clerical, bookkeeping and other administrative services, and, if necessary, asset allocation decisions. The Adviser has entered into sub-advisory agreements with NWQ Investment Management Company, LLC ( NWQ ), an affiliate of Nuveen, Spectrum Asset Management, Inc. ( Spectrum ), and/or Nuveen Asset Management LLC ( NAM ), a subsidiary of the Adviser, (each a Sub-Adviser and collectively, the Sub-Advisers ). NWQ and NAM are each responsible for approximately half of Preferred Income Opportunities (JPC) portfolio. NAM manages the investment portfolio of Preferred and Income Term (JPI), Spectrum manages the investment portfolio of Preferred Securities Income (JPS), while NWQ manages the investment portfolio of Flexible Investment Income

(JPW). The Adviser is responsible for managing Preferred Income Opportunities (JPC), Preferred and Income Terms (JPI) and Preferred Securities Income (JPS) investments in swap contracts.

*Investment Objectives and Principal Investment Strategies*

Preferred Income Opportunities (JPC) investment objective is to provide high current income and total return by investing at least 80% of its managed assets (as defined in Note 7 Management Fees and Other Transactions with Affiliates) in preferred securities, and up to 20% opportunistically over the market cycle in other types of securities, primarily income-oriented securities such as corporate and taxable municipal debt and common equity. At least 50% of its managed assets are rated investment grade (BBB/Baa or better by S&P, Moody's, or Fitch) at the time of investment.

Preferred and Income Terms (JPI) investment objective is to provide a high level of current income and total return. The Fund seeks to achieve its investment objective by investing in preferred securities and other income producing securities. Under normal market conditions, the Fund will invest at least 80% of its managed assets in preferred and other income producing securities. The Fund will invest at least 60% of its managed assets in securities rated investment grade (BBB-/Baa3 or higher) at the time of purchase.

Effective January 31, 2016, the 40% limit to the non-U.S. issuers for Preferred Income Opportunities (JPC) and Preferred and Income Terms (JPI) was removed in order to allow for an increased number of contingent capital securities in each Fund's portfolio.

Preferred Securities Income Fund (JPS) investment objective is high current income consistent with capital preservation. The Fund's secondary investment objective is to enhance portfolio value. The Fund invests at least 80% of its managed assets in preferred securities and up to 20% of its managed assets in debt securities, including convertible debt securities and convertible preferred securities. The Fund invests at least 50% (80% for the period August 1, 2015 through October 18, 2015 and 65% for the period October 19, 2015 through May 8, 2016) of its managed assets in securities that,

at the time of investment, are investment grade quality (BBB/Baa or better), which may include up to 10% in securities that are rated investment grade by at least one nationally recognized statistical rating organization. Effective May 8, 2016, the 45% limit to the non-U.S. issuers for the Fund was eliminated.

Flexible Investment Income's (JPW) investment objectives are to provide high current income and, secondarily, capital appreciation. Under normal circumstances, the Fund will invest at least 80% of its managed assets in income producing securities issued by companies located anywhere in the world. The Fund will invest in income producing securities across the capital structure in any type of debt, preferred or equity securities offered by a particular company, or debt securities issued by a government. The Fund will invest 100% of its managed assets in U.S. dollar-denominated securities, and may invest up to 50% of its managed assets in securities of non-U.S. companies. The Fund may invest up to 40% of its managed assets in equity securities (other than preferred securities). At least 25% of the aggregate market value of the Fund's investments in debt and preferred securities that are of a type customarily rated by a credit rating agency will be rated investment grade, or if unrated, will be judged to be of comparable quality by NWQ. The Fund will invest at least 25% of its managed assets in securities issued by financial services companies. The Fund may invest up to 15% of its managed assets in securities and other instruments that, at the time of purchase, are illiquid. The Fund may opportunistically write (sell) covered call options on the Fund's portfolio of equity securities for the purpose of enhancing the Fund's risk-adjusted total return over time. The Fund anticipates using leverage to help achieve its investment objectives. The Fund may utilize leverage in the form of borrowings from a financial institution or the issuance of preferred shares or other senior securities, such as commercial paper or notes.

#### *Fund Reorganizations*

Effective prior to the opening of business on May 9, 2016, certain funds were reorganized into one, larger Fund included in this report (the "Reorganizations") as follows:

| <b>Target Funds</b>  | <b>Acquiring Fund</b>             |
|--|-----------------------------------|
| Nuveen Quality Preferred Income Fund (JTP)<br>( Quality Preferred Income (JTP) )     | Preferred Securities Income (JPS) |
| Nuveen Quality Preferred Income Fund 3 (JHP)<br>( Quality Preferred Income 3 (JHP) ) |                                   |

For accounting and performance reporting purposes, the Acquiring Fund is the survivor.

Upon the closing of a reorganization, the Target Funds transfer their assets to the Acquiring Fund in exchange for common shares of the Acquiring Fund and the assumption by the Acquiring Fund of the liabilities of the Target Funds. The Target Funds are then liquidated, dissolved and terminated in accordance with their Declaration of Trust. Shareholders of the Target Funds become shareholders of the Acquiring Fund. Holders of common shares of the Target Funds receive newly issued common shares of the Acquiring Fund, the aggregate net asset value ( NAV ) of which is equal to the aggregate NAV of the common shares of the Target Funds held immediately prior to the reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would be entitled). Details of Preferred Securities Income's (JPS) Reorganizations are further described in Note 9 Fund Reorganizations.

#### **Significant Accounting Policies**

Each Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 Financial Services Investment

Companies. The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles ( U.S. GAAP ).

*Investment Transactions*

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have earmarked securities in their portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments.

As of the end of the reporting period, the Funds did not have any outstanding when-issued/delayed delivery purchase commitments.

*Investment Income*

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which reflects the amortization of premiums and includes accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also reflects paydown gains and losses, if any. Other income is comprised of fees earned in connection with the rehypothecation of pledged collateral as further described in Note 8 Borrowing Arrangements, Rehypothecation.

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**Notes to Financial Statements** (continued)*Professional Fees*

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment or to pursue other claims or legal actions on behalf of Fund shareholders. If a refund is received for workout expenditures paid in a prior reporting period, such amounts will be recognized as Legal fee refund on the Statement of Operations.

*Dividends and Distributions to Common Shareholders*

Distributions to common shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

Dividends to common shareholders are declared monthly. For Preferred Income Opportunities (JPC), Preferred and Income Term (JPI) and Preferred Securities Income (JPS) net realized capital gains from investment transactions, if any, are declared and distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Subject to approval and oversight by the Funds Board of Trustees (the Board), Flexible Investment Income (JPW) seeks to establish a distribution rate that roughly corresponds to the cash flows from its investment strategies through regular distributions (a Cash Flow-Based Distribution Program). The Fund seeks to establish a relatively stable common share distribution rate that roughly corresponds to the Fund's net cash flows after expense from its investments over an extended period of time. Actual net cash flows the Fund receives may differ from the Fund's distribution rate over shorter time periods over a specific timeframe. The portion of distributions paid attributed to net unrealized gains, if any, is distributed from the Fund's assets and is treated by shareholders as a non-taxable distribution (Return of Capital) for tax purposes. In the event that total distributions during a calendar year exceed the Fund's total return on net asset value (NAV), the difference will reduce NAV per share. If the Fund's total return on NAV exceeds total distributions during a calendar year, the excess will be reflected as an increase in NAV per share. The final determination of the source and character of all distributions for the fiscal year is made after the end of the fiscal year and is reflected in the financial statements contained in the annual report as of July 31 each year.

*Indemnifications*

Under the Funds organizational documents, their officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

*Netting Agreements*

In the ordinary course of business, the Funds may enter into transactions subject to enforceable master repurchase agreements, International Swaps and Derivative Association, Inc. (ISDA) master agreements or other similar arrangements (netting agreements). Generally, the right to offset in netting agreements allows each Fund to offset certain securities and derivatives with a specific counterparty, when applicable, as well as any collateral received or

delivered to that counterparty based on the terms of the agreements. Generally, each Fund manages its cash collateral and securities collateral on a counterparty basis.

The Funds' investments subject to netting agreements as of the end of the reporting period, if any, are further described in Note 3 – Portfolio Securities and Investments in Derivatives.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to common shares from operations during the reporting period. Actual results may differ from those estimates.

## **2. Investment Valuation and Fair Value Measurements**

The fair valuation input levels as described below are for fair value measurement purposes.

Fair value is defined as the price that would be received upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.



Level 1 Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1. Securities primarily traded on the NASDAQ National Market ( NASDAQ ) are valued at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2. Prices of certain American Depositary Receipts ( ADR ) held by the Funds that trade in the United States are valued based on the last traded price, official closing price or the most recent bid price of the underlying non- U.S.-traded stock, adjusted as appropriate for the underlying-to-ADR conversion ratio and foreign exchange rate, and from time-to-time may also be adjusted further to take into account material events that may take place after the close of the local non-U.S. market but before the close of the NYSE, which may represent a transfer from a Level 1 to a Level 2 security.

Prices of fixed-income securities are provided by an independent pricing service ( pricing service ) approved by the Board. The pricing service establishes a security's fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the observability of the significant inputs.

Prices of swap contracts are also provided by an independent pricing service approved by the Board using the same methods as described above, and are generally classified as Level 2.

Investments in investment companies are valued at their respective NAVs on valuation date and are generally classified as Level 1.

The value of exchange-traded options are based on the mean of the closing bid and ask prices and are generally classified as Level 1. Options traded in the over-the-counter ( OTC ) market are valued using an evaluated mean price and are generally classified as Level 2.

Repurchase agreements are valued at contract amount plus accrued interest, which approximates market value. These securities are generally classified as Level 2.

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the NAV of the Funds' shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the NYSE is closed and an investor is not able to purchase, redeem or exchange shares. If significant market events occur between the time of determination of the closing price of a foreign security on an exchange and the time that the Funds' NAV is

determined, or if under the Funds' procedures, the closing price of a foreign security is not deemed to be reliable, the security would be valued at fair value as determined in accordance with procedures established in good faith by the Board. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Board and/or its appointee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund's NAV (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the observability of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Board and/or its appointee.

**Notes to Financial Statements** (continued)

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of the end of the reporting period:

| <b>Preferred Income Opportunities (JPC)</b>      | <b>Level 1</b>        | <b>Level 2</b>          | <b>Level 3</b> | <b>Total</b>            |
|--|-----------------------|-------------------------|----------------|-------------------------|
| <b>Long-Term Investments*:</b>                   |                       |                         |                |                         |
| Common Stocks                                    | \$ 47,521,726         | \$ 4,471,930**          | \$             | \$ 51,993,656           |
| \$25 Par (or similar) Retail Preferred           | 541,097,940           | 79,211,133**            |                | 620,309,073             |
| Convertible Preferred Securities                 | 13,019,825            | 3,298,488**             |                | 16,318,313              |
| Corporate Bonds                                  |                       | 126,702,609             |                | 126,702,609             |
| \$1,000 Par (or similar) Institutional Preferred |                       | 605,931,204             |                | 605,931,204             |
| <b>Short-Term Investments:</b>                   |                       |                         |                |                         |
| Repurchase Agreements                            |                       | 6,077,118               |                | 6,077,118               |
| <b>Investments in Derivatives:</b>               |                       |                         |                |                         |
| Options Written                                  | (148,573)             |                         |                | (148,573)               |
| Interest Rate Swaps***                           |                       | (12,137,778)            |                | (12,137,778)            |
| <b>Total</b>                                     | <b>\$ 601,490,918</b> | <b>\$ 813,554,704</b>   | <b>\$</b>      | <b>\$ 1,415,045,622</b> |
| <b>Preferred and Income Term (JPI)</b>           |                       |                         |                |                         |
| <b>Long-Term Investments*:</b>                   |                       |                         |                |                         |
| \$25 Par (or similar) Retail Preferred           | \$ 177,872,167        | \$ 72,178,633**         | \$             | \$ 250,050,800          |
| Corporate Bonds                                  |                       | 61,142,490              |                | 61,142,490              |
| \$1,000 Par (or similar) Institutional Preferred |                       | 470,335,296             |                | 470,335,296             |
| <b>Investments in Derivatives:</b>               |                       |                         |                |                         |
| Interest Rate Swaps***                           |                       | (11,783,339)            |                | (11,783,339)            |
| <b>Total</b>                                     | <b>\$ 177,872,167</b> | <b>\$ 591,873,080</b>   | <b>\$</b>      | <b>\$ 769,745,247</b>   |
| <b>Preferred Securities Income (JPS)</b>         |                       |                         |                |                         |
| <b>Long-Term Investments*:</b>                   |                       |                         |                |                         |
| \$25 Par (or similar) Retail Preferred           | \$ 437,610,458        | \$ 166,896,191**        | \$             | \$ 604,506,649          |
| Convertible Preferred Securities                 | 14,153,956            |                         |                | 14,153,956              |
| Corporate Bonds                                  |                       | 163,635,776             |                | 163,635,776             |
| \$1,000 Par (or similar) Institutional Preferred |                       | 2,025,248,156           |                | 2,025,248,156           |
| Investment Companies                             | 25,902,597            |                         |                | 25,902,597              |
| <b>Short-Term Investments:</b>                   |                       |                         |                |                         |
| Repurchase Agreements                            |                       | 85,124,510              |                | 85,124,510              |
| <b>Investments in Derivatives:</b>               |                       |                         |                |                         |
| Interest Rate Swaps***                           |                       | (24,166,918)            |                | (24,166,918)            |
| <b>Total</b>                                     | <b>\$ 477,667,011</b> | <b>\$ 2,416,737,715</b> | <b>\$</b>      | <b>\$ 2,894,404,726</b> |
| <b>Flexible Investment Income (JPW)</b>          |                       |                         |                |                         |
| <b>Long-Term Investments*:</b>                   |                       |                         |                |                         |
| Common Stocks                                    | \$ 13,752,389         | \$ 1,248,233**          | \$             | \$ 15,000,622           |
| \$25 Par (or similar) Retail Preferred           | 22,966,308            | 448,356**               |                | 23,414,664              |
| Convertible Preferred Securities                 | 2,194,545             | 885,500**               |                | 3,080,045               |

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|  |               |               |
|--|---------------|---------------|
| Corporate Bonds                                  | 44,358,448    | 44,358,448    |
| \$1,000 Par (or similar) Institutional Preferred | 8,035,941     | 8,035,941     |
| Common Stock Rights                              | 1,111,382**   | 1,111,382     |
| Short-Term Investments:                          |               |               |
| Repurchase Agreements                            | 277,234       | 277,234       |
| Investments in Derivatives:                      |               |               |
| Options Written                                  | (43,187)      | (43,187)      |
| Total  | \$ 38,870,055 | \$ 56,365,094 |
|  | \$            | \$ 95,235,149 |

\* Refer to the Fund's Portfolio of Investments for industry classifications.

\*\*Refer to the Fund's Portfolio of Investments for securities classified as Level 2.

\*\*\*Represents net unrealized appreciation (depreciation) as reported in the Fund's Portfolio of Investments.

The Board is responsible for the valuation process and has appointed the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board, is responsible for making fair value determinations, evaluating the effectiveness of the Funds' pricing policies and reporting to the Board. The Valuation Committee is aided in its efforts by the Adviser's

dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the Funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making a fair value determination, based on the facts and circumstances specific to the portfolio instrument. Fair value determinations generally will be derived as follows, using public or private market information:

- (i) If available, fair value determinations shall be derived by extrapolating from recent transactions or quoted prices for identical or comparable securities.
- (ii) If such information is not available, an analytical valuation methodology may be used based on other available information including, but not limited to: analyst appraisals, research reports, corporate action information, issuer financial statements and shelf registration statements. Such analytical valuation methodologies may include, but are not limited to: multiple of earnings, discount from market value of a similar freely-traded security, discounted cash flow analysis, book value or a multiple thereof, risk premium/yield analysis, yield to maturity and/or fundamental investment analysis.

The purchase price of a portfolio instrument will be used to fair value the instrument only if no other valuation methodology is available or deemed appropriate, and it is determined that the purchase price fairly reflects the instrument's current value.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board.

### **3. Portfolio Securities and Investments in Derivatives**

#### **Portfolio Securities**

##### *Foreign Currency Transactions*

To the extent that a Fund may invest in securities and/or contracts that are denominated in a currency other than U.S. dollars, the Fund will be subject to currency risk, which is the risk that an increase in the U.S. dollar relative to the foreign currency will reduce returns or portfolio value. Generally, when the U.S. dollar rises in value against a foreign currency, the Fund's investments denominated in that currency will lose value because its currency is worth fewer U.S. dollars; the opposite effect occurs if the U.S. dollar falls in relative value. Investments and other assets and liabilities denominated in foreign currencies are converted into U.S. dollars on a spot (i.e. cash) basis at the spot rate prevailing in the foreign currency exchange market at the time of valuation. Purchases and sales of investments and income denominated in foreign currencies are translated into U.S. dollars on the respective dates of such transactions.

As of the end of the reporting period, the Funds' investments in non-U.S. securities were as follows:

| <b>Preferred Income Opportunities (JPC)</b> | <b>Value</b>   | <b>% of Total Investments</b> |
|---|----------------|-------------------------------|
| <b>Country:</b>                             |                |                               |
| United Kingdom                              | \$ 88,013,838  | 6.2%                          |
| France                                      | 39,723,793     | 2.8                           |
| Australia                                   | 26,267,520     | 1.8                           |
| Switzerland                                 | 25,914,786     | 1.8                           |
| Other                                       | 90,504,096     | 6.3                           |
| Total non-U.S. securities                   | \$ 270,424,033 | 18.9%                         |
| <b>Preferred and Income Term (JPI)</b>      |                |                               |
| <b>Country:</b>                             |                |                               |
| United Kingdom                              | \$ 76,952,727  | 9.8%                          |
| France                                      | 42,362,660     | 5.4                           |
| Switzerland                                 | 27,501,141     | 3.5                           |
| Australia                                   | 27,072,303     | 3.5                           |
| Other                                       | 66,170,977     | 8.5                           |
| Total non-U.S. securities                   | \$ 240,059,808 | 30.7%                         |

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**Notes to Financial Statements** (continued)

| <b>Preferred Securities Income (JPS)</b> | <b>Value</b>            | <b>% of Total Investments</b> |
|--|-------------------------|-------------------------------|
| <b>Country:</b>                          |                         |                               |
| United Kingdom                           | \$ 461,597,536          | 15.8%                         |
| France                                   | 211,446,152             | 7.3                           |
| Switzerland                              | 158,805,272             | 5.4                           |
| Netherlands                              | 152,867,336             | 5.2                           |
| Other                                    | 317,975,643             | 10.9                          |
| <b>Total non-U.S. securities</b>         | <b>\$ 1,302,691,939</b> | <b>44.6%</b>                  |
| <b>Flexible Investment Income (JPW)</b>  |                         |                               |
| <b>Country:</b>                          |                         |                               |
| United Kingdom                           | \$ 3,343,019            | 3.5%                          |
| Canada                                   | 2,731,863               | 2.9                           |
| Belgium                                  | 1,378,041               | 1.4                           |
| Germany                                  | 1,248,233               | 1.3                           |
| Other                                    | 3,365,857               | 3.6                           |
| <b>Total non-U.S. securities</b>         | <b>\$ 12,067,013</b>    | <b>12.7%</b>                  |

The books and records of the Funds are maintained in U.S. dollars. Foreign currencies, assets and liabilities are translated into U.S. dollars at 4:00 p.m. Eastern Time. Investment transactions, income and expenses are translated on the respective dates of such transactions. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date of the transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of a Fund and the amounts actually received.

The realized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with (i) foreign currency, (ii) investments, (iii) investments in derivatives and (iv) other assets and liabilities are recognized as a component of Net realized gain (loss) from investments and foreign currency on the Statement of Operations, when applicable.

The unrealized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with (i) investments and (ii) other assets and liabilities are recognized as a component of Change in net unrealized appreciation (depreciation) of investments and foreign currency on the Statement of Operations, when applicable. The unrealized gains and losses resulting from changes in foreign exchange rates associated with investments in derivatives are recognized as a component of the respective derivative's related Change in net unrealized appreciation (depreciation) on the Statement of Operations, when applicable.

*Repurchase Agreements*

In connection with transactions in repurchase agreements, it is each Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the counterparty defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

The following table presents the repurchase agreements for the Funds that are subject to netting agreements as of the end of the reporting period, and the collateral delivered related to those repurchase agreements.

| <b>Fund</b>                                 | <b>Counterparty</b>               | <b>Short-Term<br/>Investments, at Value</b> | <b>Collateral<br/>Pledged (From)<br/>Counterparty*</b> | <b>Net<br/>Exposure</b> |
|---|-----------------------------------|---|--|-------------------------|
| <b>Preferred Income Opportunities (JPC)</b> | Fixed Income Clearing Corporation | \$ 6,077,118                                | \$ (6,077,118)   | \$                      |
| <b>Preferred Securities Income (JPS)</b>    | Fixed Income Clearing Corporation | 85,124,510                                  | (85,124,510)   |                         |
| <b>Flexible Investment Income (JPW)</b>     | Fixed Income Clearing Corporation | 277,234                                     | (277,234)  |                         |

\* As of the end of the reporting period, the value of the collateral pledged from the counterparty exceeded the value of the repurchase agreements. Refer to the Fund's Portfolio of Investments for details on the repurchase agreements.

*Zero Coupon Securities*

A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.



## Investments in Derivatives

Each Fund is authorized to invest in certain derivative instruments, such as futures, options and swap contracts. Each Fund limits its investments in futures, options on futures and swap contracts to the extent necessary for the Adviser to claim the exclusion from registration by the Commodity Futures Trading Commission as a commodity pool operator with respect to the Fund. The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

### *Options Transactions*

The purchase of options involves the risk of loss of all or a part of the cash paid for the options (the premium). The market risk associated with purchasing options is limited to the premium paid. The counterparty credit risk of purchasing options, however, needs also to take into account the current value of the option, as this is the performance expected from the counterparty. When a Fund purchases an option, an amount equal to the premium paid (the premium plus commission) is recognized as a component of Options purchased, at value on the Statement of Assets and Liabilities. When a Fund writes an option, an amount equal to the net premium received (the premium less commission) is recognized as a component of Options written, at value on the Statement of Assets and Liabilities and is subsequently adjusted to reflect the current value of the written option until the option is exercised or expires or the Fund enters into a closing purchase transaction. The changes in the value of options purchased and/or written during the fiscal period are recognized as a component of Change in net unrealized appreciation (depreciation) of options purchased and/or written on the Statement of Operations. When an option is exercised or expires or the Fund enters into a closing purchase transaction, the difference between the net premium received and any amount paid at expiration or on executing a closing purchase transaction, including commission, is recognized as a component of Net realized gain (loss) from options purchased and/or written on the Statement of Operations. The Fund, as a writer of an option has no control over whether the underlying instrument may be sold (called) or purchased (put) and as a result bears the risk of an unfavorable change in the market value of the instrument underlying the written option. There is also the risk the Fund may not be able to enter into a closing transaction because of an illiquid market.

During the current fiscal period, Preferred Income Opportunities (JPC) and Flexible Investment Income (JPW) wrote covered call options on common stocks to hedge equity exposure.

The average notional amount of outstanding options written during the current fiscal period, was as follows:

|   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---|---|---|
| Average notional amount of outstanding options written* | \$ (8,107,700)  | \$ (2,473,260)                                      |

\* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal period and at the end of each fiscal quarter within the current fiscal period.

The following table presents the fair value of all options written by the Funds as of the end of the reporting period, the location of these instruments on the Statement of Assets and Liabilities and the primary underlying risk exposure.

| Underlying<br>Risk Exposure                 | Derivative<br>Instrument | Location on the Statement of Assets and Liabilities |                                     |              |
|---|--------------------------|---|-------------------------------------|--------------|
|   |                          | Asset Derivatives<br>Location                       | (Liability) Derivatives<br>Location | Value        |
| <b>Preferred Income Opportunities (JPC)</b> |                          |   |                                     |              |
| Equity price                                | Options                  |   | Options written, at value           | \$ (148,573) |
| <b>Flexible Investment Income (JPW)</b>     |                          |   |                                     |              |
| Equity price                                | Options                  |   | Options written, at value           | \$ (43,187)  |

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on options written on the Statement of Operations during the current fiscal period, and the primary underlying risk exposure.

| Fund  | Underlying<br>Risk Exposure | Derivative<br>Instrument | Change in Net                                       |   |
|---|-----------------------------|--------------------------|---|---|
|   |                             |                          | Net Realized<br>Gain (Loss) from<br>Options Written | Unrealized Appreciation<br>(Depreciation) of<br>Options Written |
| <b>Preferred Income Opportunities (JPC)</b> | Equity price                | Options                  | \$ 675,301  | \$ (34,447)   |
| <b>Flexible Investment Income (JPW)</b>     | Equity price                | Options                  | 191,671   | 7,904   |

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**Notes to Financial Statements** (continued)*Interest Rate Swap Contracts*

Interest rate swap contracts involve a Fund's agreement with the counterparty to pay or receive a fixed rate payment in exchange for the counterparty receiving or paying a variable rate payment. Forward interest rate swap contracts involve a Fund's agreement with a counterparty to pay, in the future, a fixed or variable rate payment in exchange for the counterparty paying the Fund a variable or fixed rate payment, the accruals for which begin at a specified date in the future (the effective date).

The amount of the payment obligation for an interest rate swap is based on the notional amount and the termination date of the contract. Interest rate swap contracts do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the net amount of interest payments that the Fund is to receive.

Interest rate swap contracts are valued daily. Upon entering into an interest rate swap contract (and beginning on the effective date for a forward interest rate swap contract), the Fund accrues the fixed rate payment expected to be paid or received and the variable rate payment expected to be received or paid on the interest rate swap contracts on a daily basis, and recognizes the daily change in the fair value of the Fund's contractual rights and obligations under the contracts. For an OTC swap that is not cleared through a clearing house (OTC Uncleared), the net amount recorded on these transactions, for each counterparty, is recognized on the Statement of Assets and Liabilities as a component of Unrealized appreciation or depreciation on interest rate swaps (, net).

Upon the execution of an OTC swap cleared through a clearing house (OTC Cleared), the Fund is obligated to deposit cash or eligible securities, also known as initial margin, into an account at its clearing broker equal to a specified percentage of the contract amount. Cash deposited by the Fund to cover initial margin requirements on open swap contracts, if any, is recognized as a component of Cash collateral at brokers on the Statement of Assets and Liabilities. Investments in OTC Cleared swaps obligate the Fund and the clearing broker to settle monies on a daily basis representing changes in the prior day's mark-to-market of the swap contract. If the Fund has unrealized appreciation, the clearing broker will credit the Fund's account with an amount equal to the appreciation. Conversely, if the Fund has unrealized depreciation, the clearing broker will debit the Fund's account with an amount equal to the depreciation. These daily cash settlements are also known as variation margin. Variation margin for OTC Cleared swaps is recognized as a receivable and/or payable for Variation margin on swap contracts on the Statement of Assets and Liabilities. Upon the execution of an OTC Uncleared swap, neither the Fund nor the counterparty is required to deposit initial margin as the trades are recorded bilaterally between both parties to the swap contract, and the terms of the variation margin are subject to a predetermined threshold negotiated by the Fund and the counterparty. Variation margin for OTC Uncleared swaps is recognized as a component of Unrealized appreciation or depreciation on interest rate swaps (, net) as described in the preceding paragraph.

The net amount of periodic payments settled in cash are recognized as a component of Net realized gain (loss) from swaps on the Statement of Operations, in addition to the net realized gain or loss recorded upon the termination of the swap contract. For tax purposes, payments expected to be received or paid on the swap contracts are treated as ordinary income or expense, respectively. Changes in the value of the swap contracts during the fiscal period are recognized as a component of Change in net unrealized appreciation (depreciation) of swaps on the Statement of Operations. In certain instances, payments are made or received upon entering into the swap contract to compensate for differences between the stated terms of the swap agreements and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Payments received or made at the beginning of the measurement period, if any, are recognized as Interest rate swaps premiums paid and/or received on the Statement of

Assets and Liabilities.

During the current fiscal period, Preferred Income Opportunities (JPC), Preferred and Income Term (JPI) and Preferred Securities Income (JPS) continued to use swap contracts to partially fix the interest cost of leverage, which as mentioned previously, the Funds use through the use of bank borrowings.

The average notional amount of interest rate swap contracts outstanding during the current fiscal period was as follows:

|  | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|--|---|--|--|
| Average notional amount of interest rate swap contracts outstanding* | \$ 228,592,000  | \$ 168,750,000                                     | \$ 305,978,000                                       |

\* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal period and at the end of each fiscal quarter within the current fiscal period.

The following table presents the fair value of all swap contracts held by the Funds as of the end of the reporting period, the location of these instruments on the Statement of Assets and Liabilities and the primary underlying risk exposure.

| Underlying Risk Exposure                    | Derivative Instrument | Location on the Statement of Assets and Liabilities |       |   |                 |
|---|-----------------------|---|-------|---|-----------------|
|   |                       | Asset Derivatives                                   |       | (Liability) Derivatives                         |                 |
|   |                       | Location  | Value | Location  | Value           |
| <b>Preferred Income Opportunities (JPC)</b> |                       |   |       |   |                 |
| Interest rate                               | Swaps (OTC Uncleared) |   | \$    | Unrealized depreciation on interest rate swaps* | \$ (12,137,778) |
| <b>Preferred and Income Term (JPI)</b>      |                       |   |       |   |                 |
| Interest rate                               | Swaps (OTC Uncleared) |   | \$    | Unrealized depreciation on interest rate swaps* | \$ (11,783,339) |
| <b>Preferred Securities Income (JPS)</b>    |                       |   |       |   |                 |
| Interest rate                               | Swaps (OTC Uncleared) |   | \$    | Unrealized depreciation on interest rate swaps* | \$ (24,166,918) |

\* Some swap contracts require a counterparty to pay or receive a premium, which is disclosed on the Statement of Assets and Liabilities and is not reflected in the cumulative unrealized appreciation (depreciation) presented above. The following table presents the swap contracts subject to netting agreements and the collateral delivered related to those swap contracts as of the end of the reporting period.

| Fund  | Counterparty              | Gross Unrealized Appreciation on Interest Swaps** | Gross Unrealized (Depreciation) on Interest Swaps | Amounts Netted on Statement of Assets and Liabilities | Net Unrealized Appreciation (Depreciation) on Interest Rate Swaps | Collateral Pledged to (from) Counterparty | Net Exposure   |
|---|---------------------------|---|---|---|---|---|----------------|
| <b>Preferred Income Opportunities (JPC)</b> | JPMorgan Chase Bank, N.A. | \$  | \$ (12,137,778)                                   | \$  | \$ (12,137,778)   | \$ 8,834,616                              | \$ (3,303,162) |
| <b>Preferred and Income Term (JPI)</b>      | JPMorgan Chase Bank, N.A. | \$  | \$ (11,783,339)                                   | \$  | \$ (11,783,339)   | \$ 8,820,000                              | \$ (2,963,339) |
| <b>Preferred Securities Income (JPS)</b>    | JPMorgan Chase Bank, N.A. | \$  | \$ (24,166,918)                                   | \$  | \$ (24,166,918)   | \$ 17,711,374                             | \$ (6,455,544) |

\*\*Represents gross unrealized appreciation (depreciation) for the counterparty as reported in the Fund's Portfolio of Investments.

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on swap contracts on the Statement of Operations during the current fiscal period, and the primary underlying risk exposure.

| <b>Fund</b>                                 | <b>Underlying Risk Exposure</b> | <b>Derivative Instrument</b> | <b>Net Realized Gain (Loss) from Swaps</b> | <b>Change in Net Unrealized Appreciation (Depreciation) of Swaps</b> |
|---|---------------------------------|------------------------------|--|--|
| <b>Preferred Income Opportunities (JPC)</b> | Interest rate                   | Swaps                        | \$ (201,344)                               | \$ (9,202,900)   |
| <b>Preferred and Income Term (JPI)</b>      | Interest rate                   | Swaps                        | (188,141)                                  | (7,177,526)  |
| <b>Preferred Securities Income (JPS)</b>    | Interest rate                   | Swaps                        | (315,121)                                  | (20,717,250)   |

*Market and Counterparty Credit Risk*

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

Notes to Financial Statements (continued)

4. Fund Shares

Common Share Transactions

Transactions in common shares during the Funds' current and prior fiscal period were as follows:

|   | Preferred Income Opportunities (JPC) |                       | Preferred and Income Term (JPI) |                       |
|---|--------------------------------------|-----------------------|---------------------------------|-----------------------|
|   | Year Ended<br>7/31/16                | Year Ended<br>7/31/15 | Year Ended<br>7/31/16           | Year Ended<br>7/31/15 |
| Common shares:  |                                      |                       |                                 |                       |
| Repurchased and retired                                     |                                      | (88,813)              |                                 |                       |
| Issued to shareholders due to reinvestment of distributions | 8,729                                |                       | 1,570                           |                       |
| Weighted average common share:                              |                                      |                       |                                 |                       |
| Price per share repurchased and retired                     | \$                                   | \$ 9.27               | \$                              | \$                    |
| Discount per share repurchased and retired                  | %                                    | 12.73%                | %                               | %                     |

|   | Preferred Securities Income (JPS) |                       | Flexible Investment Income (JPW) |                       |
|---|-----------------------------------|-----------------------|----------------------------------|-----------------------|
|   | Year Ended<br>7/31/16             | Year Ended<br>7/31/15 | Year Ended<br>7/31/16            | Year Ended<br>7/31/15 |
| Common shares:  |                                   |                       |                                  |                       |
| Issued in the Reorganizations                               | 83,403,764                        |                       |                                  |                       |
| Repurchased and retired                                     |                                   |                       | (6,500)                          |                       |
| Issued to shareholders due to reinvestment of distributions | 10,454                            |                       |                                  |                       |
| Weighted average common share:                              |                                   |                       |                                  |                       |
| Price per share repurchased and retired                     | \$                                | \$                    | \$ 14.28                         | \$                    |
| Discount per share repurchased and retired                  | %                                 | %                     | 15.28%                           | %                     |

5. Investment Transactions

Long-term purchases and sales (including maturities but excluding derivative transactions, where applicable) during the current fiscal period, were as follows:

| Preferred Income | Preferred and Income | Preferred Securities | Flexible Investment |
|------------------|----------------------|----------------------|---------------------|
|------------------|----------------------|----------------------|---------------------|

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|                      | <b>Opportunities<br/>(JPC)</b> | <b>Term<br/>(JPI)</b> | <b>Income<br/>(JPS)</b> | <b>Income<br/>(JPW)</b> |
|----------------------|--------------------------------|-----------------------|-------------------------|-------------------------|
| Purchases            | \$ 385,862,540                 | \$ 175,814,087        | \$ 759,637,954          | \$ 55,076,321           |
| Sales and maturities | 392,869,468                    | 187,072,995           | 660,623,742             | 58,262,018              |

Transactions in options written for the following Funds during the current fiscal period were as follows:

|   | <b>Preferred Income<br/>Opportunities (JPC)</b> |                              | <b>Flexible Investment<br/>Income (JPW)</b> |                              |
|---|---|------------------------------|---|------------------------------|
|   | <b>Number of<br/>Contracts</b>                  | <b>Premiums<br/>Received</b> | <b>Number of<br/>Contracts</b>              | <b>Premiums<br/>Received</b> |
| Options outstanding, beginning of period            | 4,219   | \$ 226,569                   | 1,249                                       | \$ 65,738                    |
| Options written                                     | 15,907  | 1,166,113                    | 5,130                                       | 349,668                      |
| Options terminated in closing purchase transactions | (13,894)  | (853,238)                    | (4,027)                                     | (243,383)                    |
| Options exercised                                   | (208)   | (34,935)                     | (59)  | (9,909)                      |
| Options expired                                     | (4,564)   | (348,065)                    | (1,314)                                     | (99,320)                     |
| Options outstanding, end of period                  | 1,460   | \$ 156,444                   | 979   | \$ 62,794                    |

#### 6. Income Tax Information

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required.

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.



The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to recognition of premium amortization, timing differences in the recognition of income on real estate investment trust ( REIT ) investments and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the NAVs of the Funds.

As of July 31, 2016, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives, where applicable), as determined on a federal income tax basis, were as follows:

|   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---|---|--|--|---|
| Cost of investments                                       | \$ 1,346,061,670  | \$ 745,678,235                                     | \$ 2,800,165,223                                     | \$ 90,552,842                                       |
| Gross unrealized:   |   |  |  |   |
| Appreciation  | \$ 90,359,678   | \$ 42,128,463                                      | \$ 181,587,555                                       | \$ 5,497,681  |
| Depreciation  | (9,089,375)   | (6,278,112)  | (63,181,134)   | (772,187)   |
| Net unrealized appreciation (depreciation) of investments | \$ 81,270,303   | \$ 35,850,351                                      | \$ 118,406,421                                       | \$ 4,725,494  |

Permanent differences, primarily due to bond premium amortization adjustments, complex securities character adjustments, distribution reallocations, federal taxes paid, investments in partnerships, expiration of capital loss carryforwards, nondeductible reorganization expenses, reorganization adjustments and treatment of notional principal contracts, resulted in reclassifications among the Funds' components of common share net assets as of July 31, 2016, the Funds' tax year end, as follows:

|  | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|--|---|--|--|---|
| Paid-in-surplus  | \$ (98,640,698)   | \$ 694   | \$ 74,365,303  | \$ (55)   |
| Undistributed (Over-distribution of) net investment income | (2,377,348)   | (1,569,871)  | (841,816)  | 141,308   |
| Accumulated net realized gain (loss)                       | 101,018,046   | 1,569,177  | (73,523,487)   | (141,253)   |

The tax components of undistributed net ordinary income and net long-term capital gains as of July 31, 2016, the Funds' tax year end, were as follows:

|  | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|--|---|--|--|---|
|--|---|--|--|---|

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|  |              |            |               |    |
|--|--------------|------------|---------------|----|
| Undistributed net ordinary income <sup>1</sup> | \$ 4,590,326 | \$ 858,294 | \$ 20,330,554 | \$ |
| Undistributed net long-term capital gains      |              |            |               |    |

<sup>1</sup> Undistributed net ordinary income (on a tax basis) has not been reduced for the dividend declared on July 1, 2016 and paid on August 1, 2016. Net ordinary income consists of net taxable income derived from dividends, interest, and net short-term capital gains, if any.

The tax character of distributions paid during the Funds' tax years ended July 31, 2016 and July 31, 2015, was designated for purposes of the dividends paid deduction as follows:

|   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---|---|--|--|---|
| <b>2016</b>   |   |  |  |   |
| Distributions from net ordinary income <sup>2</sup>         | \$ 77,898,377   | \$ 44,433,768                                      | \$ 92,646,305  | \$ 4,547,281  |
| Distributions from net long-term capital gains <sup>3</sup> |   | 4,143,412  |  |   |
| Return of capital   |   |  |  | 735,483   |
|   |   |  |  |   |
|   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
| <b>2015</b>   |   |  |  |   |
| Distributions from net ordinary income <sup>2</sup>         | \$ 74,600,924   | \$ 44,012,972                                      | \$ 87,622,036  | \$ 6,521,833  |
| Distributions from net long-term capital gains              |   |  |  | 740,458   |
| Return of capital   |   |  |  |   |

<sup>2</sup> Net ordinary income consists of net taxable income derived from dividends, interest, net short-term capital gains if any.

<sup>3</sup> The Funds designate as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended July 31, 2016.

Notes to Financial Statements (continued)

As of July 31, 2016, the Funds' tax year end, the Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as shown in the following table. The losses not subject to expiration will be utilized first by a Fund.

|                           | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)<sup>4</sup></b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---------------------------|---|--|--|---|
| Expiration:               |   |  |  |   |
| July 31, 2017             | \$ 204,895,930  | \$   | \$ 318,462,924   | \$  |
| July 31, 2018             | 9,385,427   |  | 321,212,384  |   |
| July 31, 2019             |   |  | 10,696,373   |   |
| Not subject to expiration | 19,456,396  | 3,580,539  |  | 5,299,726   |
| Total                     | \$ 233,737,753  | \$ 3,580,539                                       | \$ 650,371,681   | \$ 5,299,726  |

<sup>4</sup> A portion of JPS's capital loss carryforward is subject to an annual limitation under the Internal Revenue Code and related regulations.

As of July 31, 2016, the Funds' tax year end, \$146,504,371 of Preferred Securities Income's (JPS) capital loss carryforward was written off due to limitations under the Internal Revenue Code and related regulations.

As of July 31, 2016, the Funds' tax year end, the following Funds' capital loss carryforwards expired as follows:

|                                    | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|------------------------------------|---|--|
| Expired capital loss carryforwards | \$ 98,640,698   | \$ 232,620,226                                       |

During the Funds' tax year ended July 31, 2016, the following Fund utilized capital loss carryforwards as follows:

|                                     | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|-------------------------------------|--|
| Utilized capital loss carryforwards | \$ 23,698,469  |

**7. Management Fees and Other Transactions with Affiliates**

*Management Fees*

Each Fund's management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Sub-Advisers are compensated for their services to the Funds from the management fees paid to the Adviser. Spectrum also receives compensation on certain portfolio transactions for providing brokerage services to Preferred Securities Income (JPS). During the current fiscal period, Preferred Securities Income (JPS) paid Spectrum commissions of \$275,838.

Each Fund's management fee consists of two components—a fund-level fee, based only on the amount of assets within each individual Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables each Fund's shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual Fund-level fee, payable monthly, for each Fund is calculated according to the following schedule:

| <b>Average Daily Managed Assets*</b> | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|--------------------------------------|---|--|--|---|
| For the first \$500 million          | 0.6800%   | 0.7000%  | 0.7000%  | 0.7000%   |
| For the next \$500 million           | 0.6550  | 0.6750   | 0.6750   | 0.6750  |
| For the next \$500 million           | 0.6300  | 0.6500   | 0.6500   | 0.6500  |
| For the next \$500 million           | 0.6050  | 0.6250   | 0.6250   | 0.6250  |
| For managed assets over \$2 billion  | 0.5800  | 0.6000   | 0.6000   | 0.6000  |

The annual complex-level fee, payable monthly, for each Fund is calculated by multiplying the current complex-wide fee rate, determined according to the following schedule by the Funds' daily managed assets:

| <b>Complex-Level Managed Asset Breakpoint Level*</b> | <b>Effective Rate at Breakpoint Level</b> |
|--|---|
| \$55 billion   | 0.2000%                                   |
| \$56 billion   | 0.1996                                    |
| \$57 billion   | 0.1989                                    |
| \$60 billion   | 0.1961                                    |
| \$63 billion   | 0.1931                                    |
| \$66 billion   | 0.1900                                    |
| \$71 billion   | 0.1851                                    |
| \$76 billion   | 0.1806                                    |
| \$80 billion   | 0.1773                                    |
| \$91 billion   | 0.1691                                    |
| \$125 billion  | 0.1599                                    |
| \$200 billion  | 0.1505                                    |
| \$250 billion  | 0.1469                                    |
| \$300 billion  | 0.1445                                    |

\* For the complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to certain types of leverage. For these purposes, leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen funds that constitute eligible assets. Eligible assets do not include assets attributable to investments in other Nuveen funds and assets in excess of a determined amount (originally \$2 billion) added to the Nuveen fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of July 31, 2016, the complex-level fee rate for each of the Funds was 0.1610%.

#### *Other Transactions with Affiliates*

The Funds pay no compensation directly to those of their trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

## **8. Borrowing Arrangements**

### *Borrowings*

Preferred Income Opportunities (JPC), Preferred and Income Term (JPI), Preferred Securities Income (JPS), and Flexible Investment Income (JPW) have each entered into a committed financing agreement (collectively,

Borrowings ) which permit the Funds to borrow on a secured basis as a means of leverage. Each Fund's maximum commitment amount under these Borrowings is as follows:

|                           | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|---------------------------|---|--|--|---|
| Maximum commitment amount | \$ 404,100,000  | \$ 225,000,000                                     | \$ 945,000,000                                       | \$ 35,000,000                                       |

As a result of the Reorganization, Preferred Securities Income (JPS) amended its Borrowings and increased its maximum commitment amount from \$465.8 million to \$945 million.

As of the end of the reporting period, each Fund's outstanding balance on its Borrowings was as follows:

|                                   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|-----------------------------------|---|--|--|---|
| Outstanding balance on Borrowings | \$ 404,100,000  | \$ 225,000,000                                     | \$ 945,000,000                                       | \$ 27,000,000                                       |

For Preferred Income Opportunities (JPC), Preferred and Income Term (JPI) and Preferred Securities Income (JPS) interest is charged on these Borrowings at 1-Month LIBOR (London Inter-Bank Offered Rate) plus 0.85% per annum (0.75% per annum for Preferred Securities Income (JPS) effective February 26, 2016) on the amounts borrowed and 0.50% per annum on the undrawn balance if the undrawn portion of the Borrowings on a particular day is more than

**Notes to Financial Statements** (continued)

20% of the maximum commitment amount. Flexible Investment Income s (JPW) interest is charged on the Borrowings at a rate equal to the 1-month LIBOR plus 0.70% per annum on the amount borrowed and 0.15% per annum on the undrawn balance if the undrawn portion of the Borrowings on a particular day is more than 40% of the maximum commitment amount.

During the current fiscal period, the average daily balance outstanding and average annual interest rate on each Fund s Borrowings were as follows:

|                                   | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> | <b>Flexible<br/>Investment<br/>Income<br/>(JPW)</b> |
|-----------------------------------|---|--|--|---|
| Average daily balance outstanding | \$ 404,100,000  | \$ 225,000,000                                     | \$ 552,326,776                                       | \$ 26,575,137                                       |
| Average annual interest rate      | 1.21%   | 1.21%  | 1.16%  | 1.06%   |

In order to maintain these Borrowings, the Funds must meet certain collateral, asset coverage and other requirements. Borrowings outstanding are fully secured by securities held in each Fund s portfolio of investments ( Pledged Collateral ).

Borrowings outstanding are recognized as Borrowings on the Statement of Assets and Liabilities. Interest expense incurred on the borrowed amount and undrawn balance are recognized as a component of Interest expense on borrowings on the Statement of Operations.

*Rehypothecation*

Preferred Income Opportunities (JPC), Preferred and Income Term (JPI) and Preferred Securities Income (JPS) entered into a Rehypothecation Side Letter ( Side Letter ) with its prime brokerage lender, allowing it to re-register the Pledged Collateral in its own name or in a name other than the Funds to pledge, repledge, hypothecate, rehypothecate, sell, lend or otherwise transfer or use the Pledged Collateral (the Hypothecated Securities ) with all rights of ownership as described in the Side Letter. Subject to certain conditions, the total value of the outstanding Hypothecated Securities shall not exceed the lesser of (i) 98% of the outstanding balance on the Borrowings to which the Pledged Collateral relates and (ii) 33 1/3% of the Funds total assets. The Funds may designate any Pledged Collateral as ineligible for rehypothecation. The Funds may also recall Hypothecated Securities on demand.

The Funds also have the right to apply and set-off an amount equal to one-hundred percent (100%) of the then-current fair market value of such Pledged Collateral against the current Borrowings under the Side Letter in the event that the prime brokerage lender fails to timely return the Pledged Collateral and in certain other circumstances. In such circumstances, however, the Funds may not be able to obtain replacement financing required to purchase replacement securities and, consequently, the Funds income generating potential may decrease. Even if a Fund is able to obtain replacement financing, it might not be able to purchase replacement securities at favorable prices.

The Funds will receive a fee in connection with the Hypothecated Securities ( Rehypothecation Fees ) in addition to any principal, interest, dividends and other distributions paid on the Hypothecated Securities.

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As of the end of the reporting period, Preferred Income Opportunities (JPC), Preferred and Income Term (JPI) and Preferred Securities Income (JPS) each had Hypothecated Securities as follows:

|                         | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|-------------------------|---|--|--|
| Hypothecated Securities | \$ 144,435,630  | \$ 54,041,948                                      | \$ 403,529,531                                       |

Preferred Income Opportunities (JPC), Preferred and Income Term (JPI) and Preferred Securities Income (JPS) earn Rehypothecation Fees, which are recognized as Other income on the Statement of Operations. During the current fiscal period, the Rehypothecation Fees earned by each Fund were as follows:

|                      | <b>Preferred<br/>Income<br/>Opportunities<br/>(JPC)</b> | <b>Preferred<br/>and Income<br/>Term<br/>(JPI)</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|----------------------|---|--|--|
| Rehypothecation Fees | \$ 373,909  | \$ 209,689   | \$ 472,846   |

### 9. Fund Reorganizations

The Reorganizations were structured to qualify as tax-free reorganizations under the Internal Revenue Code for federal income tax purposes, and the Target Funds' shareholders recognized no gain or loss for federal income tax purposes as a result. Prior to the closing of each of the Reorganizations, the Target Funds distributed all of their net investment income and capital gains, if any. Such a distribution may be taxable to the Target Funds' shareholders for federal income tax purposes.



*Investments*

The cost, fair value and net unrealized appreciation (depreciation) of the investments of the Target Funds as of the date of the Reorganizations, were as follows:

|   | <b>Quality<br/>Preferred<br/>Income<br/>(JTP)</b> | <b>Quality<br/>Preferred<br/>Income 3<br/>(JHP)</b> |
|---|---|---|
| Cost of investments                                       | \$ 769,793,192                                    | \$ 295,420,741                                      |
| Fair value of investments                                 | 787,463,443                                       | 300,767,053   |
| Net unrealized appreciation (depreciation) of investments | 17,670,251  | 5,346,312   |

For financial reporting purposes, assets received and shares issued by the Acquiring Fund were recorded at fair value; however, the cost basis of the investments received from the Target Funds were carried forward to align ongoing reporting of the Acquiring Fund's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

*Common Shares*

The common shares outstanding, net assets applicable to common shares and NAV per common share outstanding immediately before and after the Reorganizations were as follows:

| <b>Target Funds</b>                    | <b>Prior to Reorganizations</b> | <b>Quality<br/>Preferred<br/>Income<br/>(JTP)</b> | <b>Quality<br/>Preferred<br/>Income 3<br/>(JHP)</b> |
|--|---------------------------------|---|---|
| Common shares outstanding              |                                 | 64,658,447  | 23,670,657  |
| Net assets applicable to common shares |                                 | \$562,581,184                                     | \$215,586,177                                       |
| NAV per common share outstanding       |                                 | \$8.70  | \$9.11  |

| <b>Acquiring Fund</b>                  | <b>Prior to Reorganizations</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|--|---------------------------------|--|
| Common shares outstanding              |                                 | 120,393,013  |
| Net assets applicable to common shares |                                 | \$1,123,273,505                                      |
| NAV per common share outstanding       |                                 | \$9.33   |

| <b>Acquiring Fund</b>                  | <b>Post Reorganizations</b> | <b>Preferred<br/>Securities<br/>Income<br/>(JPS)</b> |
|--|-----------------------------|--|
| Common shares outstanding              |                             | 203,796,777  |
| Net assets applicable to common shares |                             | \$1,901,440,866                                      |

|                                  |        |
|----------------------------------|--------|
| NAV per common share outstanding | \$9.33 |
|----------------------------------|--------|

*Pro Forma Results of Operations*

The beginning of the Target Funds' current fiscal period was August 1, 2015. Assuming the Reorganizations had been completed on August 1, 2015, the beginning of the Acquiring Fund's current fiscal period, the pro forma results of operations for the current fiscal period, are as follows:

| <b>Acquiring Fund Pro Forma Results from Operations</b> | <b>Preferred Securities Income (JPS)</b> |
|---|--|
| Net investment income (loss)                            | \$ 138,905,433                           |
| Net realized and unrealized gains (losses)              | (11,494,330)                             |
| Change in net assets resulting from operations          | 127,411,103                              |

Because the combined investment portfolios for the Reorganizations have been managed as a single integrated portfolio since the Reorganizations were completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in the Statement of Operations for the Acquiring Fund since the Reorganizations were consummated.

**Notes to Financial Statements** (continued)

*Cost and Expenses*

In connection with the Reorganizations, the Acquiring Fund incurred certain associated costs and expenses. Such amounts were included as components of *Accrued other expenses* on the Statement of Assets and Liabilities and *Reorganization expenses* on the Statement of Operations.

**10. Subsequent Events**

*Borrowings*

Subsequent to the current fiscal period, Preferred Securities Income (JPS) entered into a \$150,000,000 reverse repurchase agreement as a means of leverage. In conjunction with receipt of the \$150,000,000 the Fund paid down the outstanding balance on its Borrowings to \$795,000,000.

**Additional**

**Fund Information** (Unaudited)

**Board of Trustees**

|                   |                      |                     |                   |                  |                   |
|-------------------|----------------------|---------------------|-------------------|------------------|-------------------|
| William Adams IV* | Margo Cook*          | Jack B. Evans       | William C. Hunter | David J. Kundert | Albin F. Moschner |
| John K. Nelson    | William J. Schneider | Judith M. Stockdale | Carole E. Stone   | Terence J. Toth  | Margaret L. Wolff |

\*Interested Board Member.

| <b>Fund Manager</b>   | <b>Custodian</b>  | <b>Legal Counsel</b>                        | <b>Independent Registered Public Accounting Firm</b>     | <b>Transfer Agent and Shareholder Services</b>   |
|---|---|---|--|--|
| Nuveen Fund Advisors, LLC<br>333 West Wacker Drive<br>Chicago, IL 60606 | State Street Bank & Trust Company<br>One Lincoln Street<br>Boston, MA 02111 | Chapman and Cutler LLP<br>Chicago, IL 60603 | KPMG LLP<br>200 East Randolph Drive<br>Chicago, IL 60601 | State Street Bank & Trust Company<br>Nuveen Funds<br>P.O. Box 43071<br>Providence, RI 02940-3071<br>(800) 257-8787 |

**Distribution Information**

The Funds hereby designate their percentages of dividends paid from net ordinary income as dividends qualifying for the 70% dividends received deduction ( DRD ) for corporations and their percentages as qualified dividend income ( QDI ) for individuals under Section 1(h)(11) of the Internal Revenue Code as shown in the accompanying table. The actual qualified dividend income distributions will be reported to shareholders on Form 1099-DIV which will be sent to shareholders shortly after calendar year end.

|       | <b>JPC</b> | <b>JPI</b> | <b>JPS</b> | <b>JPW</b> |
|-------|------------|------------|------------|------------|
| % QDI | 58.19%     | 77.13%     | 50.27%     | 35.03%     |
| % DRD | 41.93%     | 49.84%     | 26.89%     | 32.05%     |

The Funds hereby designate their percentages of dividends paid from net ordinary income as dividends qualifying as Interest-Related Dividends as defined in Internal Revenue Code Section 871(k) for the taxable year ended July 31,

2016:

|                                 | <b>JPC</b> | <b>JPI</b> | <b>JPS</b> | <b>JPW</b> |
|---------------------------------|------------|------------|------------|------------|
| % of Interest-Related Dividends | 26%        | 21%        | 35%        | 42%        |

### Quarterly Form N-Q Portfolio of Investments Information

Each Fund is required to file its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. You may obtain this information directly from the SEC. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC toll-free at (800) SEC-0330 for room hours and operation.

### Nuveen Funds Proxy Voting Information

You may obtain (i) information regarding how each fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, without charge, upon request, by calling Nuveen toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com) and (ii) a description of the policies and procedures that each fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen toll free at (800) 257-8787. You may also obtain this information directly from the SEC. Visit the SEC on-line at <http://www.sec.gov>.

### CEO Certification Disclosure

Each Fund's Chief Executive Officer (CEO) has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual. Each Fund has filed with the SEC the certification of its CEO and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

### Common Share Repurchases

Each Fund intends to repurchase, through its open market share repurchase program, shares of its own common stock at such times and in such amounts as is deemed advisable. During the period covered by this report, each Fund repurchased shares of its common stock, as shown in the accompanying table. Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

|                           | <b>JPC</b> | <b>JPI</b> | <b>JPS</b> | <b>JPW</b> |
|---------------------------|------------|------------|------------|------------|
| Common shares repurchased |            |            |            | 6,500      |

**FINRA BrokerCheck**

The Financial Industry Regulatory Authority (FINRA) provides information regarding the disciplinary history of FINRA member firms and associated investment professionals. This information as well as an investor brochure describing FINRA BrokerCheck is available to the public by calling the FINRA BrokerCheck Hotline number at (800) 289-9999 or by visiting [www.FINRA.org](http://www.FINRA.org).

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## Glossary of Terms

### Used in this Report (Unaudited)

- n **Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or offer price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- n **Barclays U.S. Aggregate Bond Index:** An unmanaged index that includes all investment-grade, publicly issued, fixed-rate, dollar denominated, nonconvertible debt issues and commercial mortgage-backed securities with maturities of at least one year and outstanding par values of \$150 million or more. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees.
- n **Barclays USD Capital Securities Index:** The Barclays USD Capital Securities component of the Barclays Global Capital Securities Index generally includes Tier 2/Lower Tier 2 bonds, perpetual step-up debt, step-up preferred securities, and term preferred securities. The index returns assume reinvestment of dividends, but do not include the effects of any sales charges or management fees.
- n **Basel III:** A comprehensive set of reform measures designed to improve the regulation, supervision and risk management within the banking sector. The Basel Committee on Banking Supervision published the first version of Basel III in late 2009, giving banks approximately three years to satisfy all requirements. Largely in response to the credit crisis, banks are required to maintain proper leverage ratios and meet certain capital requirements.
- n **BofA/Merrill Lynch Core Plus Fixed Rate Preferred Securities Index:** An index that tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market. Index returns do not include the effects of any sales charges or management fees.
- n **BofA/Merrill Lynch Preferred Securities Fixed Rate Index:** An index that tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market. Qualifying securities must be rated investment grade (based on an average of Moody's, S&P, and Fitch) and must have an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long-term sovereign debt ratings). In addition, qualifying securities must be issued as public securities or through a 144A filing, must be issued in \$25, \$50 or \$100 par/liquidation preference increments, must have a fixed coupon or dividend schedule, and must have a minimum amount outstanding of \$100 million. The index returns assume reinvestment of dividends, but do not include the effects of any sales charges or management fees.
- n **BofA/Merrill Lynch U.S. All Capital Securities Index:** An index comprised of four sub-indexes that better represent the full breadth of the preferred and hybrid securities market, including investment grade and below investment grade exchange traded \$25 par preferreds and investment grade and below investment grade rated \$1,000 par capital securities. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

- n **BofA/Merrill Lynch U.S. Corporate Index:** An unmanaged index comprised of U.S. dollar denominated investment grade, fixed rate corporate debt securities publicly issued in the U.S. domestic market with at least one year remaining term to final maturity and at least \$250 million outstanding. The index returns assume reinvestment of dividends, but do not include the effects of any sales charges or management fees.
  
- n **BofA/Merrill Lynch U.S. High Yield Index:** An index that tracks the performance of U.S. Dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.



- n **Contingent Capital Securities (CoCos):** CoCos are debt or capital securities of primarily non-U.S. issuers with loss absorption contingency mechanisms built into the terms of the security, for example a mandatory conversion into common stock of the issuer, or a principal write-down, which if triggered would likely cause the CoCo investment to lose value. Loss absorption mechanisms would become effective upon the occurrence of a specified contingency event, or at the discretion of a regulatory body. Specified contingency events, as identified in the CoCos governing documents, usually reference a decline in the issuer's capital below a specified threshold level, and/or certain regulatory events. A loss absorption contingency event for CoCos would likely be the result of, or related to, the deterioration of the issuer's financial condition and/or its status as a going concern. In such a case, with respect to CoCos that provide for conversion into common stock upon the occurrence of the contingency event, the market price of the issuer's common stock received by the Acquiring Fund will have likely declined, perhaps substantially, and may continue to decline after conversion. CoCos rated below investment grade should be considered high yield securities, or "junk," but often are issued by entities whose more senior securities are rated investment grade. CoCos are a relatively new type of security; and there is a risk that CoCo security issuers may suffer the sort of future financial distress that could materially increase the likelihood (or the market's perception of the likelihood) that an automatic write-down or conversion event on those issuers' CoCos will occur. Additionally, the trading behavior of a given issuer's CoCo may be strongly impacted by the trading behavior of other issuers' CoCos, such that negative information from an unrelated CoCo security may cause a decline in value of one or more CoCos held by the Fund. Accordingly, the trading behavior of CoCos may not follow the trading behavior of other types of debt and preferred securities. Despite these concerns, the prospective reward vs. risk characteristics of at least certain CoCos may be very attractive relative to other fixed-income alternatives.
  
- n **Effective Leverage:** Effective leverage is a fund's effective economic leverage, and includes both regulatory leverage (see below) and the leverage effects of certain derivative investments in the fund's portfolio.
  
- n **Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.
  
- n **JPC Blended Index (Comparative Benchmark):** A blended return consisting of 82.5% of the BofA/Merrill Lynch Preferred Securities Fixed Rate Index and 17.5% of the Barclays USD Capital Securities Index. The index returns assume reinvestment of distributions, but do not include the effects of any sales charges or management fees.
  
- n **JPI Blended Benchmark Index (Old JPI Blended Index):** A blended return consisting of the BofA/Merrill Lynch Preferred Securities Fixed Rate Index and the Barclays USD Capital Securities Index. The JPI Blended Benchmark Index is comprised of a 65% weighting in the BofA/Merrill Lynch Preferred Securities Fixed Rate Index, and a 35% weighting in the Barclays USD Capital Securities Index. Benchmark returns assume reinvestment of distributions, but do not include the effects of any sales charges or management fees.
  
- n **JPI Blended Benchmark Index (New JPI Blended Index):** The New JPI Blended Index is a blended return consisting of 60% BofA/Merrill Lynch U.S. All Capital Securities Index and 40% BofA/Merrill Lynch Contingent

Capital Index. Benchmark returns assume reinvestment of distributions, but do not include the effects of any sales charges or management fees.

- n **JPS Blended Benchmark (Old Comparative Index):** A blended return consisting of: 1) 55% of the BofA/Merrill Lynch Preferred Securities Fixed Rate Index, an unmanaged index that tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market; and 2) 45% of the Barclays Tier 1 Capital Securities Index, an unmanaged index that includes securities that can generally be viewed as hybrid fixed-income securities that either receive regulatory capital treatment or a degree of equity credit from a rating agency. Index returns do not include the effects of any sales charges or management fees.
  
- n **JPS Blended Benchmark (New Comparative Index):** A blended return consisting of: 1) 40% of the BofA/Merrill Lynch Contingent Capital Index (COCO), which tracks the performance of all contingent capital debt publicly issued in the major domestic and Eurobond markets, including investment grade and sub-investment-grade issues; and 2) 60% of the BofA/Merrill Lynch All Capital Securities Index (IOCS), a subset of the BofA/Merrill Lynch U.S. Corporate Index including all fixed-to-floating rate, perpetual callable and capital securities, which better represents the full breadth of the preferred and hybrid securities market, including investment grade

**Glossary of Terms Used in this Report** (Unaudited) (continued)

and below investment grade exchange traded \$25 par preferreds and investment grade and below investment grade rated \$1,000 par capital securities. Index returns do not include the effects of any sales charges or management fees.

- n **Leverage:** Leverage is created whenever a fund has investment exposure (both reward and/or risk) equivalent to more than 100% of the investment capital.
  
- n **Net Asset Value (NAV) Per Share:** A fund's Net Assets is equal to its total assets (securities, cash, accrued earnings and receivables) less its total liabilities. NAV per share is equal to the fund's Net Assets divided by its number of shares outstanding.
  
- n **Option-adjusted spread (OAS):** An option-adjusted spread is a more meaningful spread statistic for mortgage-backed securities, which experience cash flows over multiple time periods, and for which the borrower has the option to re-pay principal at any time. OAS is based on modeled forecasts for voluntary repayments, as well as discounted cash flows, to arrive at a market-weighted spread over a known Treasury benchmark.
  
- n **Regulatory Leverage:** Regulatory leverage consists of preferred shares issued by or borrowings of a fund. Both of these are part of a fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.
  
- n **Russell 1000<sup>®</sup> Value Index:** An index that measures the performance of those Russell 1000<sup>®</sup> Index companies with lower price-to-book- ratios and lower forecasted growth values. The Russell 1000<sup>®</sup> Value Index measures the performance of the 1,000 largest companies in the Russell 3000<sup>®</sup> Index. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.
  
- n **S&P 500<sup>®</sup> Index:** An unmanaged index generally considered representative of the U.S. stock market. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees.

**Reinvest Automatically,**

**Easily and Conveniently**

**Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.**

### **Nuveen Closed-End Funds Automatic Reinvestment Plan**

Your Nuveen Closed-End Fund allows you to conveniently reinvest distributions in additional Fund shares.

By choosing to reinvest, you will be able to invest money regularly and automatically, and watch your investment grow through the power of compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

#### **Easy and convenient**

To make recordkeeping easy and convenient, each quarter you will receive a statement showing your total distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

#### **How shares are purchased**

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

#### **Flexible**

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change.

## Edgar Filing: Nuveen Preferred Income Opportunities Fund - Form N-CSR

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

### **Call today to start reinvesting distributions**

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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## Annual Investment

### Management Agreement Approval Process (Unaudited)

The Board of Trustees of each Fund (the *Board*, and each Trustee a *Board Member*), including the Board Members who are not parties to the Fund's advisory or sub-advisory agreements or interested persons of any such parties (the *Independent Board Members*), is responsible for overseeing the performance of the investment adviser and the sub-adviser(s) to the respective Fund and determining whether to continue such Fund's advisory agreement (the *Investment Management Agreement*) between the Fund and Nuveen Fund Advisors, LLC (the *Adviser*) and the sub-advisory agreement(s) (each, a *Sub-Advisory Agreement*) and, together with the Investment Management Agreement, the *Advisory Agreements*) between: in the case of Nuveen Preferred Income Opportunities Fund (the *Preferred Income Opportunities Fund*), (a) the Adviser and Nuveen Asset Management, LLC ( *NAM* ), and (b) the Adviser and NWQ Investment Management Company, LLC ( *NWQ* ); in the case of Nuveen Preferred and Income Term Fund (the *Preferred and Income Fund*), the Adviser and NAM; in the case of Nuveen Preferred Securities Income Fund (the *Preferred Securities Fund*), the Adviser and Spectrum Asset Management, Inc. ( *Spectrum* and, together with NAM and NWQ, the *Sub-Advisers* ); and in the case of Nuveen Flexible Investment Income Fund (the *Flexible Investment Fund*), the Adviser and NWQ. Following an initial term with respect to each Fund upon its commencement of operations, the Board reviews each Investment Management Agreement and Sub-Advisory Agreement on behalf of such Fund and votes to determine whether the respective Advisory Agreement should be renewed. Accordingly, at an in-person meeting held on May 24-26, 2016 (the *May Meeting*), the Board, including a majority of the Independent Board Members, considered and approved the existing Advisory Agreements for the Funds.

During the year, the Board and its Committees met regularly to receive materials and discuss a variety of topics impacting the Funds including, among other things, overall market conditions and market performance, Fund investment performance, brokerage execution, valuation of securities, compliance matters, securities lending, leverage matters, risk management and ongoing initiatives. The Board had established several standing Committees, including the Open-end Fund Committee and Closed-end Fund Committee which permit the Board Members to delve further into the topics particularly relevant to the respective product line and enhance the Board's effectiveness and oversight of the Funds. The Board also seeks to meet with each Sub-Adviser and its investment team at least once over a multiple year rotation through site visits. The information and knowledge the Board gained throughout the year from the Board and Committee meetings, site visits and the related materials were relevant to the Board's evaluation of the Advisory Agreements, and the Board took such information into account in its review of the Advisory Agreements.

In addition to the materials received throughout the year, the Board received additional materials prepared specifically for its annual review of the Advisory Agreements in response to a request by independent legal counsel on behalf of the Independent Board Members. The materials addressed a variety of topics, including a description of the services provided by the Adviser and the Sub-Advisers (each, a *Fund Adviser*); a review of fund performance with a detailed focus on any performance outliers; an analysis of the investment teams; an analysis of the fees and expense ratios of the Funds, including information comparing such fees and expenses to that of a peer group; an assessment of shareholder services for the Funds and of the performance of certain service providers; a review of initiatives instituted or continued during the past year; and a review of premium/discount trends and leverage management as well as information regarding the profitability of the Fund Advisers, the compensation of portfolio managers, and compliance and risk matters.

As part of its annual review, the Board held a separate meeting on April 12-13, 2016 to review the Funds' investment performance and consider an analysis by the Adviser of each Sub-Adviser examining, among other things, the applicable team's assets under management, investment performance, investment approach, and the stability and

structure of the Sub-Adviser's organization and investment team. During the review, the Independent Board Members requested and received additional information from management. Throughout the year and throughout their review of the Advisory Agreements, the Independent Board Members were assisted by independent legal counsel. The Independent Board Members met separately with independent legal counsel without management present and received a memorandum from such counsel outlining their fiduciary duties and legal standards in reviewing the Advisory Agreements. The Independent Board Members' review of the Advisory Agreements reflected an ongoing process that incorporated the information and considerations that occurred over the years, including the most recent year, as well

as the information specifically furnished for the renewal process. In deciding to renew the Advisory Agreements, the Independent Board Members did not identify a particular factor as controlling, but rather the decision reflected the comprehensive consideration of all the information presented. The following summarizes the principal factors, but not all the factors, the Board considered in its review of the Advisory Agreements and its conclusions.

#### **A. Nature, Extent and Quality of Services**

In evaluating the renewal of the Advisory Agreements, the Independent Board Members received and considered information regarding the nature, extent and quality of the applicable Fund Adviser's services provided to the respective Fund and the initiatives undertaken during the past year by the Adviser. The Board recognized the comprehensive set of services the Adviser provided to manage and operate the Nuveen funds, including (a) product management (such as setting dividends, positioning the product in the marketplace, maintaining and enhancing shareholder communications and reporting to the Board); (b) investment services (such as overseeing the sub-advisers and other service providers; analyzing investment performance and risks; overseeing risk management and disclosure; developing and interpreting investment policies; assisting in the development of products; helping to prepare financial statements and marketing disclosures; and overseeing trade execution); (c) fund administration (such as helping to prepare fund tax returns and complete other tax compliance matters; and helping to prepare regulatory filings and shareholder reports); (d) fund Board administration (such as preparing Board materials and organizing and providing assistance for Board meetings); (e) compliance (such as helping to devise and maintain the funds' compliance program and related testing); (f) legal support (such as helping to prepare registration statements and proxy statements, interpreting regulations and policies and overseeing fund activities); and (g) providing leverage management.

The Board reviewed the continued investment the Adviser had made in its business to continue to strengthen the breadth and quality of its services to the benefit of the Nuveen funds. The Board noted the Adviser's additional staffing in key areas that support the funds and the Board, including in investment services, operations, closed-end fund/structured products, fund governance, compliance, fund administration, product management and information technology. Among the enhancements to its services, the Board recognized the Adviser's (a) expanded activities and support required as a result of regulatory developments, including in areas of compliance and reporting; (b) expanded efforts to support leverage management with a goal of seeking the most effective structure for fund shareholders given appropriate risk levels and regulatory constraints; (c) increased support for dividend management; (d) continued investment in its technical capabilities as the Adviser continued to build out a centralized fund data platform, enhance mobility and remote access capabilities, rationalize and upgrade software platforms, and automate certain regulatory liquidity determinations; (e) continued efforts to rationalize the product line through mergers, liquidations and re-positioning of Nuveen funds with the goal of increasing efficiencies, reducing costs, improving performance and addressing shareholder needs; (f) continued efforts to develop new lines of business designed to enhance the Nuveen product line and meet investor demands; and (g) continued commitment to enhance risk oversight, including the formation of the operational risk group to provide operational risk assessment, the access to platforms which provide better risk reporting to support investment teams, and the development of a new team to initially review new products and major product initiatives. The Board also recognized the Adviser's efforts to renegotiate certain fees of other service providers which culminated in reduced expenses for all funds for custody and accounting services without diminishing the breadth and quality of the services provided. The Board considered the Chief Compliance Officer's report regarding the Adviser's compliance program, the Adviser's continued development, execution and management of its compliance program, and the additions to the compliance team to support the continued growth of the Nuveen fund family and address regulatory developments.

The Board also considered information highlighting the various initiatives that the Adviser had implemented or continued during the year to enhance or support the closed-end fund product line. The Board noted the Adviser's



continued efforts during 2015 (a) to rationalize the product line through mergers designed to help reduce product overlap, offer shareholders the potential for lower fees and enhanced investor acceptance, and address persistent discounts in the secondary market; (b) to oversee and manage leverage as the Adviser facilitated the rollover of existing facilities and conducted negotiations for improved terms and pricing to reduce leverage costs; (c) to conduct capital management services including share repurchases and/or share issuances throughout the year and monitoring market conditions to capitalize on such opportunities for the closed-end funds; and (d) to implement data-driven market analytics which, among other things,

**Annual Investment Management Agreement Approval Process (Unaudited) (continued)**

provided a better analysis of the shareholder base, enhanced the ability to monitor the closed-end funds versus peers and helped to understand trading discounts. The Board also considered the quality and breadth of Nuveen's investment relations program through which Nuveen seeks to build awareness of, and educate investors and financial advisers with respect to, Nuveen closed-end funds which may help to build an active secondary market for the closed-end fund product line.

As noted, the Adviser also oversees the Sub-Advisers who primarily provide the portfolio advisory services to the respective Funds. The Board recognized the skill and competency of the Adviser in monitoring and analyzing the performance of the Sub-Advisers and managing the sub-advisory relationships. The Board noted that the Adviser recommended the renewal of the Sub-Advisory Agreements.

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided to the respective Fund under each applicable Advisory Agreement were satisfactory.

**B. The Investment Performance of the Funds and Fund Advisers**

The Board considered the long-term and short-term performance history of the Nuveen funds. As noted above, the Board reviewed fund performance at its quarterly meetings throughout the year and took into account the information derived from the discussions with representatives of the Adviser about fund performance at these meetings. The Board also considered the Adviser's analysis of fund performance with particular focus on any performance outliers and the factors contributing to such performance and any steps the investment team had taken to address performance concerns. The Board reviewed, among other things, each Fund's investment performance both on an absolute basis and in comparison to peer funds (the *Performance Peer Group*) and to recognized and/or customized benchmarks (i.e., generally benchmarks derived from multiple recognized benchmarks) for the quarter, one-, three- and five-year periods ending December 31, 2015 (or for such shorter periods available for the Preferred and Income Fund and the Flexible Investment Fund, which did not exist for part of the foregoing time frame), as well as performance information reflecting the first quarter of 2016.

In evaluating performance information, the Board recognized the following factors may impact the performance data as well as the consideration to be given to particular performance data:

The performance data reflected a snapshot in time, in this case as of the end of the most recent calendar year or quarter. A different performance period, however, could generate significantly different results.

Long-term performance can be adversely affected by even one period of significant underperformance so that a single investment decision or theme had the ability to disproportionately affect long-term performance.

Shareholders evaluate performance based on their own holding period which may differ from the performance period reviewed by the Board, leading to different performance results.

The Board recognized the difficulty in establishing appropriate peer groups and benchmarks for certain funds. The Board noted that management classified the Performance Peer Groups as low, medium and high in relevancy and took the relevancy of the Performance Peer Group into account when considering the comparative performance data. If the Performance Peer Group differed somewhat from a fund, the Board recognized that the comparative performance data may be of limited value. The Board also recognized that each fund operated pursuant to its own investment objective(s), parameters and restrictions which may differ from that of the Performance Peer Group or benchmark and that these variations lead to differences in performance results. Further, for funds that utilized leverage, the Board understood that leverage during different periods could provide both benefits and risks to a portfolio as compared to an unlevered benchmark.

In addition to the foregoing, the Independent Board Members continued to recognize the importance of secondary market trading for the shares of closed-end funds. At the quarterly meetings as well as the May Meeting, the Independent Board Members (either at the Board level or through the Closed-end Fund Committee) reviewed, among other things, the premium or discount to net asset value of the Nuveen closed-end funds as of a specified date and over various periods as well as in comparison to the premium/discount average in their respective Lipper peer category. At the May Meeting and/or prior meetings, the Independent Board Members (either at the Board level or through the Closed-end Fund Committee) reviewed, among other things, an analysis by the Adviser of the key economic, market and competitive trends that affected the

closed-end fund market and Nuveen closed-end funds and considered any actions proposed periodically by the Adviser to address trading discounts of certain closed-end funds, including, among other things, share repurchases, fund reorganizations, adjusting fund investment mandates and strategies, and increasing fund awareness to investors. The Independent Board Members considered the evaluation of the premium and discount levels of the closed-end funds to be a continuing priority in their oversight of the closed-end funds.

With respect to any Nuveen funds for which the Board has identified performance concerns, the Board monitors such funds closely until performance improves, discusses with the Adviser the reasons for such results, considers those steps necessary or appropriate to address such issues, and reviews the results of any efforts undertaken. The Board was aware, however, that shareholders chose to invest or remain invested in a fund knowing that the Adviser and the applicable sub-adviser(s) manage the fund, knowing the fund's investment strategy and seeking exposure to that strategy (even if the strategy was out of favor in the marketplace) and knowing the fund's fee structure.

For the Preferred Income Opportunities Fund, the Board noted that, although the Fund ranked in the third quartile in its Performance Peer Group in the five-year period and the fourth quartile in the three-year period, the Fund was in the second quartile in the one-year period. Although the Fund underperformed its benchmark in the one-year period, the Fund outperformed its benchmark in the three- and five-year periods. The Board determined that the Fund's performance was satisfactory.

For the Preferred and Income Fund, the Board noted that the Fund ranked in its Performance Peer Group in the second quartile for the three-year period and first quartile in the one-year period and outperformed its benchmark in the one- and three-year periods. The Board determined that the Fund's performance had been satisfactory.

For the Preferred Securities Fund, the Board noted that, although the Fund ranked in the fourth quartile in the three-year period in its Performance Peer Group, the Fund ranked in the second quartile in the one-year period and third quartile in the five-year period and, although the Fund underperformed its benchmark in the one-year period, the Fund outperformed its benchmark in the three- and five-year periods. The Board determined that the Fund's performance was satisfactory.

For the Flexible Investment Fund, the Board noted that the Fund ranked in its Performance Peer Group in the third quartile and narrowly underperformed its benchmark in the one-year period. Although the Fund's performance history was too short for a meaningful assessment of performance, the Board was satisfied with the Fund's progress.

## **C. Fees, Expenses and Profitability**

### **1. Fees and Expenses**

The Board evaluated the management fees and other fees and expenses of each Fund. The Board reviewed, among other things, the gross and net management fees and net total expenses of each Fund (expressed as a percentage of average net assets) in absolute terms and also in comparison to the fee and expense levels of a comparable universe of funds (the *Peer Universe*) selected by an independent third-party fund data provider. The Independent Board Members also reviewed the methodology regarding the construction of the applicable Peer Universe.

In their evaluation of the management fee schedule, the Independent Board Members considered the fund-level and complex-wide breakpoint schedules, as described in further detail below.

In reviewing the comparative fee and expense information, the Independent Board Members recognized that various factors such as the limited size and particular composition of the Peer Universe (including the inclusion of other

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Nuveen funds in the peer set); expense anomalies; changes in the funds comprising the Peer Universe from year to year; levels of reimbursement or fee waivers; the timing of information used; the differences in the type and use of leverage; and differences in services provided can impact the usefulness of the comparative data in helping to assess the appropriateness of a fund's fees and expenses. In addition, in reviewing a fund's fees and expenses compared to the fees and expenses of its peers (excluding leverage costs and leveraged assets), the Board generally considered a fund's expenses and fees to be higher if they were over 10 basis points higher, slightly higher if they were 6 to 10 basis points higher, in line if they were within approximately 5 basis points higher than the peer average and below if they were below the peer average of the Peer Universe. The Board reviewed the net expense ratio in recognition that the net expense ratio generally best represented the net experience of the shareholders of a fund as it directly reflected the costs of investing in the respective fund. The Board noted

**Annual Investment Management Agreement Approval Process (Unaudited) (continued)**

that the majority of the Nuveen funds had a net expense ratio near or below the average of the respective peers. For funds with a net expense ratio of 6 basis points or higher than their respective peer average, the Independent Board Members reviewed the reasons for the outlier status and were satisfied with the explanation for the difference or with any steps taken to address the difference.

The Independent Board Members noted that the Preferred Income Opportunities Fund had a net management fee slightly higher than its peer average but a net expense ratio below its peer average; the Preferred and Income Fund had a net management fee higher than its peer average but a net expense ratio in line with its peer average; the Preferred Securities Fund had a net management fee slightly higher than its peer average but a net expense ratio below its peer average; and the Flexible Investment Fund had a net management fee and net expense ratio higher than its respective peer average (and the Independent Board Members noted that the higher expense ratio was generally due to the Fund's small size compared to its peers and higher custodian costs associated with implementing a new trading system).

Based on their review of the fee and expense information provided, the Independent Board Members determined that each Fund's management fees (as applicable) to a Fund Adviser were reasonable in light of the nature, extent and quality of services provided to the Fund.

**2. Comparisons with the Fees of Other Clients**

The Board also reviewed information regarding the fee rates for other types of clients advised or sub-advised by the respective Fund Adviser. For the Adviser and/or its affiliated sub-advisers, such other clients may include: separately managed accounts (such as retail, institutional or wrap accounts), hedge funds, other investment companies that are not offered by Nuveen but are sub-advised by one of Nuveen's affiliated sub-advisers, foreign investment companies offered by Nuveen, and collective investment trusts.

The Board recognized that each Fund other than the Preferred Securities Fund had at least one affiliated sub-adviser (*i.e.*, NAM and/or NWQ). With respect to affiliated sub-advisers, including NAM and NWQ, the Board reviewed, among other things, the range of advisory fee rates and average fee rate assessed for the different types of clients. The Board reviewed information regarding the different types of services provided to the Funds compared to that provided to these other clients which typically did not require the same breadth of day-to-day services required for registered funds. The Board further considered information regarding the differences in, among other things, investment policies, investor profiles, and account sizes between the Nuveen funds and the other types of clients. In addition, the Independent Board Members also recognized that the management fee rates of the foreign funds advised by the Adviser may also vary due to, among other things, differences in the client base, governing bodies, operational complexities and services covered by the management fee. The Independent Board Members recognized that the foregoing variations resulted in different economics among the product structures and culminated in varying management fees among the types of clients and funds.

The Board also was aware that, since the Funds had at least one sub-adviser, each Fund's management fee reflected two components, the fee retained by the Adviser for its services and the fee the Adviser paid to the sub-adviser(s). The Board noted that many of the administrative services provided to support the Funds by the Adviser may not be required to the same extent or at all for the institutional clients or other clients. In general, the Board noted that higher fee levels reflected higher levels of service provided by the Fund Adviser, increased investment management complexity, greater product management requirements and higher levels of business risk or some combination of the foregoing. Given the inherent differences in the various products, particularly the extensive services provided to the

Funds, the Independent Board Members concluded such facts justify the different levels of fees.

With respect to Spectrum, the unaffiliated Sub-Adviser, the Independent Board Members considered the pricing schedule that such Sub-Adviser charges for other clients. The Independent Board Members noted that the fee rate paid to Spectrum for its sub-advisory services was reasonable in relation to the fees of other clients. The Independent Board Members also noted that the fees paid to Spectrum were the result of arm's-length negotiations.

### **3. Profitability of Fund Advisers**

In conjunction with their review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities on an absolute basis and in comparison to other investment advisers. The Independent Board Members

reviewed, among other things, Nuveen's adjusted operating margins, the gross and net revenue margins (pre-tax and after-tax) for advisory activities for the Nuveen funds, and the revenues, expenses, and net income (pre-tax and after-tax) of Nuveen for each of the last two calendar years. The Independent Board Members reviewed an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2015. The Independent Board Members also noted that the sub-advisory fees for the Funds are paid by the Adviser, however, the Board recognized that NAM and NWQ are affiliated with Nuveen. In their review, the Independent Board Members recognized that profitability data is rather subjective as various allocation methodologies may be reasonable to employ but yet yield different results. The Board also reviewed the results of certain alternative methodologies. The Board considered the allocation methodology employed to prepare the profitability data as well as a summary of the refinements to the methodology that had been adopted over the years which may limit some of the comparability of Nuveen's revenue margins over time. Two Independent Board Members also served as point persons for the Board throughout the year to review and discuss the methodology employed to develop the profitability analysis and any proposed changes thereto and to keep the Board apprised of such changes during the year. In reviewing the profitability data, the Independent Board Members noted that Nuveen's operating margin as well as its margins for its advisory activities to the Nuveen funds for 2015 were consistent with such margins for 2014.

The Board also considered Nuveen's adjusted operating margins compared to that of other comparable investment advisers (based on asset size and composition) with publicly available data. The Independent Board Members recognized, however, the limitations of the comparative data as the other advisers may have a different business mix, employ different allocation methodologies, have different capital structure and costs, may not be representative of the industry or other factors that limit the comparability of the profitability information. Nevertheless, the Independent Board Members noted that Nuveen's adjusted operating margins appeared comparable to the adjusted margins of the peers.

Further, as the Adviser is a wholly-owned subsidiary of Nuveen which in turn is an operating division of TIAA Global Asset Management, the investment management arm of Teachers Insurance and Annuity Association of America ( *TIAA-CREF* ), the Board reviewed a balance sheet for TIAA-CREF reflecting its assets, liabilities and capital and contingency reserves for the last two calendar years to have a better understanding of the financial stability and strength of the TIAA-CREF complex, together with Nuveen.

Based on the information provided, the Independent Board Members noted that the Adviser appeared to be sufficiently profitable to operate as a viable investment management firm and to honor its obligations as a sponsor of the Nuveen funds.

With respect to the Sub-Advisers, the Independent Board Members also considered the profitability of each Sub-Adviser from its relationship with the Nuveen funds. With respect to sub-advisers affiliated with Nuveen, including NAM and NWQ, the Independent Board Members reviewed such Sub-Advisers' revenues, expenses and revenue margins (pre- and post-tax) for their advisory activities for the calendar year ended December 31, 2015. With respect to NAM, the Independent Board Members also reviewed profitability analysis reflecting the revenues, expenses and revenue margin (pre- and post-tax) by asset type for such Sub-Adviser for the calendar year ending December 31, 2015. Similarly, with respect to sub-advisers unaffiliated with Nuveen, including Spectrum, the Independent Board Members considered information regarding the profitability of such sub-advisers in providing services to the applicable Nuveen funds. The Independent Board Members considered Spectrum's revenues, expenses and profitability margins (pre-tax and after-tax) for its advisory activities with the applicable Nuveen funds for the 2014 and 2015 calendar years.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Funds as well as indirect benefits (such as soft dollar arrangements), if any, the Fund



Adviser and its affiliates received or were expected to receive that were directly attributable to the management of a Fund. See Section E below for additional information on indirect benefits a Fund Adviser may receive as a result of its relationship with the Funds.

Based on their review, the Independent Board Members determined that the Adviser's and each Sub-Adviser's levels of profitability were reasonable in light of the respective services provided.

**D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale**

The Independent Board Members recognized that as the assets of a particular fund or the Nuveen complex in the aggregate increase over time, economies of scale may be realized with respect to the management of the funds, and the Independent Board Members considered the extent to which these economies are shared with the funds and their shareholders. Although

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**Annual Investment Management Agreement Approval Process (Unaudited) (continued)**

the Independent Board Members recognized that economies of scale are difficult to measure with precision, the Board noted that there were several acceptable means to share economies of scale, including through breakpoints in the management fee schedule reducing the fee rates as asset levels grow, fee waiver and expense limitation agreements and the Adviser's investment in its business which can enhance the services provided to the funds. With respect to breakpoints, the Independent Board Members noted that, subject to certain exceptions, the funds in the Nuveen complex pay a management fee to the Adviser which is generally comprised of a fund-level component and complex-level component. The fund-level fee component declines as the assets of the particular fund grow and the complex-level fee component declines when eligible assets of all the funds in the Nuveen complex combined grow. With respect to closed-end funds, the Independent Board Members noted that, although such funds may from time-to-time make additional share offerings, the growth of their assets would occur primarily through the appreciation of such funds' investment portfolios. The complex-wide fee arrangement was designed to capture economies of scale achieved when total fund complex assets increase, even if the assets of a particular fund are unchanged or decrease. The approach reflected the notion that some of Nuveen's costs were attributable to services provided to all its funds in the complex, and therefore all funds should benefit if these costs were spread over a larger asset base.

The Independent Board Members reviewed the breakpoint and complex-wide schedules and the material savings achieved from fund-level breakpoints and complex-wide fee reductions for the 2015 calendar year.

In addition, the Independent Board Members recognized the Adviser's ongoing investment in its business to expand or enhance the services provided to the Nuveen funds. The Independent Board Members noted, among other things, the additions to groups who play a key role in supporting the funds including in closed-end funds/structured products, fund administration, operations, fund governance, investment services, compliance, product management and technology. The Independent Board Members also recognized the investments in systems necessary to manage the funds including in areas of risk oversight, information technology and compliance.

Based on their review, the Independent Board Members concluded that the current fee structure was acceptable and reflected economies of scale to be shared with shareholders when assets under management increase.

**E. Indirect Benefits**

The Independent Board Members received and considered information regarding other additional benefits the respective Fund Adviser or its affiliates may receive as a result of their relationship with the Funds, including compensation paid to affiliates and research received in connection with brokerage transactions (i.e., soft dollar arrangements). In this regard, the Independent Board Members noted any revenues received by affiliates of the Adviser for serving as co-manager in initial public offerings of new closed-end funds and as underwriter on shelf offerings for certain existing funds.

In addition to the above, the Independent Board Members considered that the Funds' portfolio transactions are allocated by the applicable Sub-Adviser(s) and that NAM and NWQ may benefit from research received through soft-dollar arrangements. The Board noted, however, that with respect to transactions in fixed income securities, such securities generally trade on a principal basis and do not generate soft dollar credits. Although the Board recognized that NAM and NWQ may benefit from soft dollar arrangements if they do not have to pay for this research out of their own assets, the Board also recognized that any such research may benefit the applicable Funds to the extent it enhances the ability of such Sub-Advisers to manage the respective Funds.

With respect to Spectrum, such Sub-Adviser has not participated in soft dollar arrangements with respect to Fund portfolio transactions. The Board, however, noted that Spectrum served as its own broker for portfolio transactions for the Nuveen funds it sub-advised and therefore may receive some indirect compensation.

Based on their review, the Independent Board Members concluded that any indirect benefits received by a Fund Adviser as a result of its relationship with the applicable Funds were reasonable and within acceptable parameters.

**F. Other Considerations**

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, concluded that the terms of each Advisory Agreement were fair and reasonable, that the respective Fund Adviser's fees were reasonable in light of the services provided to each applicable Fund and that the Advisory Agreements be renewed.

**Board****Members & Officers** (Unaudited)

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board of Trustees of the Funds. The number of trustees of the Funds is set at twelve, effective July 1, 2016. None of the trustees who are not interested persons of the Funds (referred to herein as independent trustees ) has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the trustees and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

| <b>Name,<br/>Year of Birth<br/>&amp; Address</b> | <b>Position(s) Held<br/>with the Funds</b> | <b>Year First<br/>Elected or<br/>Appointed<br/>and Term<sup>(1)</sup></b> | <b>Principal<br/>Occupation(s)<br/>Including other<br/>Directorships<br/>During Past 5 Years</b> | <b>Number<br/>of Portfolios<br/>in Fund Complex<br/>Overseen by<br/>Board Member</b> |
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**Independent Board Members:**

|  |                              |                                     |   |            |
|--|------------------------------|-------------------------------------|---|------------|
| <b>n WILLIAM J.<br/>SCHNEIDER</b><br>1944<br>333 W. Wacker<br>Drive<br>Chicago, IL 60606 | Chairman and<br>Board Member | <b>1996</b><br><br><b>Class III</b> | Chairman of Miller-Valentine Partners, a real estate investment company; Board Member of Med-America Health System and WDPR Public Radio station; formerly, Senior Partner and Chief Operating Officer (retired (2004) of Miller-Valentine Group; formerly, Board member, Business Advisory Council of the Cleveland Federal Reserve Bank and University of Dayton Business School Advisory Council; past Chair and Director, Dayton Development Coalition. | <b>180</b> |
| <b>n JACK B.<br/>EVANS</b><br>1948<br>333 W. Wacker<br>Drive                             | Board Member                 | <b>1999</b><br><br><b>Class III</b> | President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Chairman, United Fire Group, a publicly held company; Director, The Gazette Company; Life Trustee of Coe College and the Iowa College Foundation;  | <b>180</b> |

Chicago, IL 60606

formerly, President Pro-Tem of the Board of Regents for the State of Iowa University System; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.

**n WILLIAM C. HUNTER**

1948

Board Member

**2003**

333 W. Wacker Drive

**Class I**

Dean Emeritus, formerly, Dean, Tippie College of Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and past President (2010-2014) Beta Gamma Sigma, Inc., The International Business Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.

**180**

Chicago, IL 60606

**n DAVID J. KUNDERT**

1942

Board Member

**2005**

333 W. Wacker Drive

**Class II**

Formerly, Director, Northwestern Mutual Wealth Management Company (2006-2013), retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Regent Emeritus, Member of Investment Committee, Luther College; member of the Wisconsin Bar Association; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; member of the Board of Directors (Milwaukee), College Possible; Board member of Milwaukee Repertory Theatre (since 2016).

**180**

Chicago, IL 60606

**Board Members & Officers** (Unaudited) (continued)

| <b>Name,<br/>Year of Birth<br/>&amp; Address</b> | <b>Position(s) Held<br/>with the Funds</b> | <b>Year First<br/>Elected or<br/>Appointed<br/>and Term<sup>(1)</sup></b> | <b>Principal<br/>Occupation(s)<br/>Including other<br/>Directorships<br/>During Past 5 Years</b> | <b>Number<br/>of Portfolios<br/>in Fund Complex<br/>Overseen by<br/>Board Member</b> |
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**Independent Board Members (continued):**

|  |              |                                     |  |            |
|--|--------------|-------------------------------------|--|------------|
| <b>n ALBIN F. MOSCHNER<sup>(2)</sup></b><br>1952<br>333 W. Wacker Drive<br>Chicago, IL 60606 | Board Member | <b>2016</b><br><br><b>Class III</b> | Founder and Chief Executive Officer, Northcroft Partners, LLC, a management consulting firm (since 2012); previously, held positions at Leap Wireless International, Inc., including Consultant (2011-2012), Chief Operating Officer (2008-2011), and Chief Marketing Officer (2004-2008); formerly, President, Verizon Card Services division of Verizon Communications, Inc. (2000-2003); formerly, President, One Point Services at One Point Communications (1999-2000); formerly, Vice Chairman of the Board, Diba, Incorporated (1996-1997); formerly, various executive positions with Zenith Electronics Corporation (1991-1996). Director, USA Technologies, Inc., a provider of solutions and services to facilitate electronic payment transactions (since 2012); formerly, Director, Wintrust Financial Corporation (1996-2016). | <b>180</b> |
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|--|---------------------|---|---|-------------------|
| <p><b>n JOHN K. NELSON</b><br/>1962<br/><br/>333 W. Wacker Drive<br/><br/>Chicago, IL 60606</p>      | <p>Board Member</p> | <p><b>2013</b><br/><br/><b>Class II</b></p> | <p>Member of Board of Directors of Core12 LLC (since 2008), a private firm which develops branding, marketing and communications strategies for clients; Director of The Curran Center for Catholic American Studies (since 2009) and The President's Council, Fordham University (since 2010); formerly, senior external advisor to the financial services practice of Deloitte Consulting LLP (2012-2014); formerly, Chairman of the Board of Trustees of Marian University (2010 as trustee, 2011-2014 as Chairman); formerly, Chief Executive Officer of ABN AMRO N.V. North America, and Global Head of its Financial Markets Division (2007-2008); prior senior positions held at ABN AMRO include Corporate Executive Vice President and Head of Global Markets-the Americas (2006- 2007), CEO of Wholesale Banking North America and Global Head of Foreign Exchange and Futures Markets (2001-2006), and Regional Commercial Treasurer and Senior Vice President Trading-North America (1996-2001); formerly, Trustee at St. Edmund Preparatory School in New York City.</p> | <p><b>180</b></p> |
| <p><b>n JUDITH M. STOCKDALE</b><br/>1947<br/><br/>333 W. Wacker Drive<br/><br/>Chicago, IL 60606</p> | <p>Board Member</p> | <p><b>1997</b><br/><br/><b>Class I</b></p>  | <p>Board Member, Land Trust Alliance (since 2013) and U.S. Endowment for Forestry and Communities (since 2013); formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation; prior thereto, Executive Director, Great Lakes Protection Fund</p>  | <p><b>180</b></p> |

(1990-1994).

**n CAROLE E. STONE**

1947  
333 W. Wacker Drive  
Chicago, IL 60606

Board Member

**2007**

**Class I**

Director, Chicago Board Options Exchange, Inc. (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); Director, CBOE Holdings, Inc. (since 2010); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010).

**180**

**n TERENCE J. TOTH**

1959  
333 W. Wacker Drive  
Chicago, IL 60606

Board Member

**2008**

**Class II**

Managing Partner, Promus Capital (since 2008); Director, Fulcrum IT Service LLC (since 2010) and Quality Control Corporation (since 2012); member: Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Mather Foundation Board (since 2012), and chair of its investment committee; formerly, Director, Legal & General Investment Management America, Inc. (2008-2013); formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).

**180**



| Name,<br>Year of Birth<br>& Address | Position(s) Held<br>with the Funds | Year First<br>Elected or<br>Appointed<br>and Term <sup>(1)</sup> | Principal<br>Occupation(s)<br>Including other<br>Directorships<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund Complex<br>Overseen by<br>Board Member |
|-------------------------------------|------------------------------------|--|---|---|
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**Independent Board Members**  
(continued):

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|--|---------------------|--|--|-------------------|
| <p><b>n MARGARET L. WOLFF</b><br/>1955<br/>333 W. Wacker Drive<br/>Chicago, IL 60606</p> | <p>Board Member</p> | <p><b>2016</b><br/><br/><b>Class I</b></p> | <p>Member of the Board of Directors (since 2013) of Travelers Insurance Company of Canada and The Dominion of Canada General Insurance Company (each, a part of Travelers Canada, the Canadian operation of The Travelers Companies, Inc.); formerly, Of Counsel, Skadden, Arps, Slate, Meagher &amp; Flom LLP (Mergers &amp; Acquisitions Group) (2005-2014); Member of the Board of Trustees of New York-Presbyterian Hospital (since 2005); Member (since 2004) and Chair (since 2015) of the Board of Trustees of The John A. Hartford Foundation (a philanthropy dedicated to improving the care of older adults); formerly, Member (2005-2015) and Vice Chair (2011-2015) of the Board of Trustees of Mt. Holyoke College.</p> | <p><b>180</b></p> |
|--|---------------------|--|--|-------------------|

**Interested Board Members:**

|   |                     |   |  |                   |
|---|---------------------|---|--|-------------------|
| <p><b>n WILLIAM ADAMS IV<sup>(3)</sup></b><br/>1955<br/>333 W. Wacker Drive<br/>Chicago, IL 60606</p> | <p>Board Member</p> | <p><b>2013</b><br/><br/><b>Class II</b></p> | <p>Co-Chief Executive Officer and Co-President (since March 2016), formerly, Senior Executive Vice President, Global Structured Products (2010-2016), prior thereto, Executive Vice President, U.S. Structured Products, (1999-2010) of Nuveen Investments, Inc.; Co-President of Nuveen Fund Advisors, LLC (since</p> | <p><b>180</b></p> |
|---|---------------------|---|--|-------------------|

**n MARGO L. COOK**<sup>(2)(3)</sup>

1964

333 W. Wacker Drive

Chicago, IL 60606

Board Member

**2016**

**Class III**

2011); Co-Chief Executive Officer (since 2016), formerly, Senior Executive Vice President of Nuveen Securities, LLC; President (since 2011), of Nuveen Commodities Asset Management, LLC; Board Member of the Chicago Symphony Orchestra and of Gilda's Club Chicago.

Co-Chief Executive Officer and Co-President (since March 2016), formerly, Senior Executive Vice President of Nuveen Investments, Inc; **180** Co-Chief Executive Officer (since 2015), previously, Executive Vice President (2013-2015) of Nuveen Securities, LLC; Senior Executive Vice President (since 2015) of Nuveen Fund Advisors, LLC (Executive Vice President 2011-2015); formerly, Managing Director of Nuveen Commodities Asset Management, LLC (2011-2016); Chartered Financial Analyst.

## Board Members &amp; Officers (Unaudited) (continued)

| Name,<br>Year of Birth<br>& Address | Position(s) Held<br>with the Funds | Year First<br>Elected or<br>Appointed <sup>(4)</sup> | Principal<br>Occupation(s)<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund Complex<br>Overseen by<br>Officer |
|-------------------------------------|------------------------------------|--|---|--|
|-------------------------------------|------------------------------------|--|---|--|

Officers of the  
Funds:

|  |                                    |             |  |            |
|--|------------------------------------|-------------|--|------------|
| <b>n GIFFORD R.<br/>ZIMMERMAN</b><br>1956<br>333 W. Wacker<br>Drive<br>Chicago, IL 60606 | Chief<br>Administrative<br>Officer | <b>1988</b> | Managing Director (since 2002), and<br>Assistant Secretary of Nuveen<br>Securities, LLC; Managing Director<br>(since 2004) and Assistant Secretary<br>(since 1994) of Nuveen Investments,<br>Inc.; Managing Director (since 2002),<br>Assistant Secretary (since 1997) and<br>Co-General Counsel (since 2011) of<br>Nuveen Fund Advisors, LLC;<br>Managing Director, Assistant<br>Secretary and Associate General<br>Counsel of Nuveen Asset<br>Management, LLC (since 2011);<br>Managing Director and Assistant<br>Secretary of Nuveen Investments<br>Advisers, LLC (since 2002) and<br>Symphony Asset Management LLC<br>(since 2003); Vice President and<br>Assistant Secretary of NWQ<br>Investment Management Company,<br>LLC (since 2002), Santa Barbara<br>Asset Management, LLC (since<br>2006), and of Winslow Capital<br>Management, LLC, (since 2010);<br>Vice President and Assistant<br>Secretary (since 2013), formerly,<br>Chief Administrative Officer and<br>Chief Compliance Officer<br>(2006-2013) of Nuveen Commodities<br>Asset Management, LLC; Chartered<br>Financial Analyst. | <b>181</b> |
| <b>n CEDRIC H.<br/>ANTOSIEWICZ</b><br>1962   |                                    |             | Managing Director of Nuveen<br>Securities, LLC. (since 2004);<br>Managing Director of Nuveen Fund  |            |

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|                                     |   |             |   |            |
|-------------------------------------|---|-------------|---|------------|
| 333 W. Wacker Drive                 | Vice President                              | <b>2007</b> | Advisors, LLC (since 2014).   | <b>77</b>  |
| Chicago, IL 60606                   |   |             |   |            |
| <b>n LORNA C. FERGUSON</b><br>1945  | Vice President                              | <b>1998</b> | Managing Director (since 2004) of Nuveen Investments Holdings, Inc.   | <b>181</b> |
| 333 W. Wacker Drive                 |   |             |   |            |
| Chicago, IL 60606                   |   |             |   |            |
| <b>n STEPHEN D. FOY</b><br>1954     | Vice President and Controller               | <b>1998</b> | Managing Director (since 2014), formerly, Senior Vice President (2013-2014) and Vice President (2005-2013) of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); Managing Director (since 2016) of Nuveen Securities, LLC; Certified Public Accountant. | <b>181</b> |
| 333 W. Wacker Drive                 |   |             |   |            |
| Chicago, IL 60606                   |   |             |   |            |
| <b>n NATHANIEL T. JONES</b><br>1979 | Vice President and Treasurer                | <b>2016</b> | Senior Vice President (since 2016), formerly, Vice President (2011-2016) of Nuveen Investments Holdings, Inc.; Chartered Financial Analyst.   | <b>181</b> |
| 333 W. Wacker Drive                 |   |             |   |            |
| Chicago, IL 60606                   |   |             |   |            |
| <b>n WALTER M. KELLY</b><br>1970    | Chief Compliance Officer and Vice President | <b>2003</b> | Senior Vice President (since 2008) of Nuveen Investment Holdings, Inc.  | <b>181</b> |
| 333 W. Wacker Drive                 |   |             |   |            |
| Chicago, IL 60606                   |   |             |   |            |
| <b>n DAVID J. LAMB</b><br>1963      | Vice President                              | <b>2015</b> | Senior Vice President of Nuveen Investments Holdings, Inc. (since 2006), Vice President prior to 2006.  | <b>77</b>  |
| 333 W. Wacker Drive                 |   |             |   |            |
| Chicago, IL 60606                   |   |             |   |            |

**n TINA M.  
LAZAR**  
1961

Vice President      **2002**

Senior Vice President of Nuveen  
Investments Holdings, Inc. and  
Nuveen Securities, LLC.

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333 W. Wacker  
Drive

Chicago, IL 60606

102    NUVEEN

| Name,<br>Year of Birth<br>& Address | Position(s) Held<br>with the Funds | Year First<br>Elected or<br>Appointed <sup>(4)</sup> | Principal<br>Occupation(s)<br>During Past 5 Years | Number<br>of Portfolios<br>in Fund Complex<br>Overseen by<br>Officer |
|-------------------------------------|------------------------------------|--|---|--|
|-------------------------------------|------------------------------------|--|---|--|

## Officers of the Funds (continued):

|  |                                 |             |  |            |
|--|---------------------------------|-------------|--|------------|
| <b>n KEVIN J. MCCARTHY</b><br>1966<br><br>333 W. Wacker Drive<br><br>Chicago, IL 60606 | Vice President<br>and Secretary | <b>2007</b> | Executive Vice<br>President, Secretary and<br>General Counsel (since<br>March 2016), formerly,<br>Managing Director and<br>Assistant Secretary of<br>Nuveen Investments,<br>Inc.; Executive Vice<br>President (since March<br>2016), formerly,<br>Managing Director, and<br>Assistant Secretary<br>(since 2008) of Nuveen<br>Securities, LLC;<br>Executive Vice<br>President and Secretary<br>(since March 2016),<br>formerly, Managing<br>Director (2008-2016)<br>and Assistant Secretary<br>(2007-2016), and<br>Co-General Counsel<br>(since 2011) of Nuveen<br>Fund Advisors, LLC;<br>Executive Vice<br>President and Secretary<br>(since March 2016),<br>formerly, Managing<br>Director, Assistant<br>Secretary (2011-2016),<br>and Associate General<br>Counsel (since 2011) of<br>Nuveen Asset<br>Management, LLC;<br>Executive Vice<br>President and Secretary<br>of Nuveen Investments | <b>181</b> |
|--|---------------------------------|-------------|--|------------|

Advisers, LLC; Vice President (since 2007) and Secretary (since March 2016) of NWQ Investment Management Company, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, Winslow Capital Management, LLC (since 2010) and Tradewinds Global Investors, LLC (since 2016); Vice President (since 2010) and Secretary (since 2016), formerly, Assistant Secretary of Nuveen Commodities Asset Management, LLC.

**n KATHLEEN L. PRUDHOMME**

1953  
901 Marquette Avenue  
Minneapolis, MN 55402

Vice President and Assistant Secretary

**2011**

Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010).

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**n JOEL T. SLAGER**

1978  
333 W. Wacker Drive  
Chicago, IL 60606

Vice President and Assistant Secretary

**2013**

Fund Tax Director for Nuveen Funds (since 2013); previously, Vice President of Morgan Stanley Investment Management, Inc., Assistant Treasurer of the Morgan Stanley

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Funds (from 2010 to  
2013).

- (1) The Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares, when applicable, to serve until the next annual shareholders meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (2) On June 22, 2016, Ms. Cook and Mr. Moschner were appointed as Board members, effective July 1, 2016.
- (3) Interested person as defined in the 1940 Act, by reason of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen funds.
- (4) Officers serve one year terms through August of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

NUVEEN 103



Nuveen:

**Serving Investors for Generations**

Since 1898, financial advisors and their clients have relied on Nuveen to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

**Focused on meeting investor needs.**

Nuveen helps secure the long-term goals of individual investors and the advisors who serve them. As an operating division of TIAA Global Asset Management, Nuveen provides access to investment expertise from leading asset managers and solutions across traditional and alternative asset classes. Built on more than a century of industry leadership, Nuveen's teams of experts align with clients specific financial needs and goals, demonstrating commitment to advisors and investors through market perspectives and wealth management and portfolio advisory services. Nuveen manages more than \$239 billion in assets as of June 30, 2016.

**Find out how we can help you.**

To learn more about how the products and services of Nuveen may be able to help you meet your financial goals, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to

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obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or Nuveen, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: [www.nuveen.com/cef](http://www.nuveen.com/cef)

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## ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at [www.nuveen.com/CEF/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx). (To view the code, click on Code of Conduct.)

## ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees ( Board ) determined that the registrant has at least one audit committee financial expert (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial experts are Carole E. Stone and Jack B. Evans, who are independent for purposes of Item 3 of Form N-CSR.

Ms. Stone served for five years as Director of the New York State Division of the Budget. As part of her role as Director, Ms. Stone was actively involved in overseeing the development of the State's operating, local assistance and capital budgets, its financial plan and related documents; overseeing the development of the State's bond-related disclosure documents and certifying that they fairly presented the State's financial position; reviewing audits of various State and local agencies and programs; and coordinating the State's system of internal audit and control. Prior to serving as Director, Ms. Stone worked as a budget analyst/examiner with increasing levels of responsibility over a 30 year period, including approximately five years as Deputy Budget Director. Ms. Stone has also served as Chair of the New York State Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. These positions have involved overseeing operations and finances of certain entities and assessing the adequacy of project/entity financing and financial reporting. Currently, Ms. Stone is on the Board of Directors of CBOE Holdings, Inc., of the Chicago Board Options Exchange, and of C2 Options Exchange. Ms. Stone's position on the boards of these entities and as a member of both CBOE Holdings' Audit Committee and its Finance Committee has involved, among other things, the oversight of audits, audit plans and preparation of financial statements.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ( SCI ). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the CFO ) and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

## ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

### Nuveen Preferred Income Opportunities Fund

The following tables show the amount of fees that KPMG LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with KPMG LLP the Audit Committee approved in advance all audit services and non-audit services that KPMG LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the pre-approval exception ). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no

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more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

## SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

| Fiscal Year Ended                                      | Audit-Related Fees                     |                             |                         |  |
|--|--|-----------------------------|-------------------------|--|
|  | Audit Fees Billed to Fund <sup>1</sup> | Billed to Fund <sup>2</sup> | Tax Fees Billed to Fund | All Other Fees Billed to Fund <sup>4</sup> |
| July 31, 2016  | \$ 26,375                              | \$ 0                        | \$ 0                    | \$ 0                                       |
| Percentage approved pursuant to pre-approval exception | 0%                                     | 0%                          | 0%                      | 0%   |
| July 31, 2015  | \$ 25,500                              | \$ 0                        | \$ 0                    | \$ 0                                       |
| Percentage approved pursuant to pre-approval exception | 0%                                     | 0%                          | 0%                      | 0%   |

<sup>1</sup> Audit Fees are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

<sup>2</sup> Audit Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements that are not reported under Audit Fees. These fees include offerings related to the Fund's common shares and leverage.

<sup>3</sup> Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning. These fees include: all global withholding tax services; excise and state tax reviews; capital gain, tax equalization and taxable basis calculation performed by the principal accountant.

<sup>4</sup> All Other Fees are the aggregate fees billed for products and services other than Audit Fees, Audit-Related Fees and Tax Fees. These fees represent all Agreed-Upon Procedures engagements pertaining to the Fund's use of leverage.

## SERVICES THAT THE FUND'S AUDITOR BILLED TO THE

## ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by KPMG LLP to Nuveen Fund Advisors, LLC (formerly Nuveen Fund Advisors, Inc.) (the Adviser), and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund (Affiliated Fund Service Provider), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to KPMG LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

| <b>Fiscal Year Ended</b>                               | <b>Audit-Related Fees Billed to Adviser and Affiliated Fund Service Providers</b> | <b>Tax Fees Billed to Adviser and Affiliated Fund Service Providers</b> | <b>All Other Fees Billed to Adviser and Affiliated Fund Service Providers</b> |
|--|---|---|---|
| July 31, 2016  | \$ 0  | \$ 0  | \$ 0  |
| Percentage approved pursuant to pre-approval exception | 0%  | 0%  | 0%  |
| July 31, 2015  | \$ 0  | \$ 0  | \$ 0  |
| Percentage approved pursuant to pre-approval exception | 0%  | 0%  | 0%  |

NON-AUDIT SERVICES

The following table shows the amount of fees that KPMG LLP billed during the Fund's last two full fiscal years for non-audit services. The Audit Committee is required to pre-approve non-audit services that KPMG LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the pre-approval exception described above). The Audit Committee requested and received information from KPMG LLP about any non-audit services that KPMG LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating KPMG LLP's independence.

| Fiscal Year Ended | Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (engagements related directly to the operations and financial reporting of the Fund) |      | Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (all other engagements) |      | Total |
|-------------------|---|------|--|------|-------|
|                   | Billed to Fund  |      |  |      |       |
| July 31, 2016     | \$ 0  | \$ 0 | \$ 0   | \$ 0 | \$ 0  |
| July 31, 2015     | \$ 0  | \$ 0 | \$ 0   | \$ 0 | \$ 0  |

Non-Audit Fees billed to Fund for both fiscal year ends represent Tax Fees and All Other Fees billed to Fund in their respective amounts from the previous table.

Less than 50 percent of the hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

**Audit Committee Pre-Approval Policies and Procedures.** Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under \$5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Jack B. Evans, David J. Kundert, John K. Nelson, Carole E. Stone and Terence J. Toth.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) See Portfolio of Investments in Item 1.

(b) Not applicable.

**ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

Nuveen Fund Advisors, LLC is the registrant's investment adviser (also referred to as the Adviser). The Adviser is responsible for the on-going monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged NWQ Investment Management Company, LLC (NWQ) and Nuveen Asset Management, LLC (Nuveen Asset Management) (NWQ and Nuveen Asset Management are collectively referred to as Sub-Advisers) as Sub-Advisers to provide discretionary investment advisory services. As part of these services, the Adviser has delegated to each Sub-Adviser the full responsibility for proxy voting and related duties in accordance with each Sub-Adviser's policies and procedures. The Adviser periodically monitors each Sub-Adviser's voting to ensure that it is carrying out its duties. Each Sub-Adviser's proxy voting policies and procedures are attached to this filing as an exhibit and incorporated herein by reference.



**ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

Nuveen Fund Advisors, LLC is the registrant's investment adviser (also referred to as the Adviser). The Adviser is responsible for the selection and on-going monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged NWQ Investment Management Company, LLC (NWQ) and Nuveen Asset Management, LLC (Nuveen Asset Management), (NWQ and Nuveen Asset Management are also collectively referred to as Sub-Advisers), each responsible for a portion of the registrant's portfolio as Sub-Advisers to provide discretionary investment advisory services. The following section provides information on the portfolio managers at each Sub-Adviser:

**NUVEEN ASSET MANAGEMENT****Item 8(a)(1). PORTFOLIO MANAGER BIOGRAPHIES**

Douglas M. Baker, CFA, and Brenda A. Langenfeld, CFA, are primarily responsible for the day-to-day management of the portion of the registrant's portfolio managed by Nuveen Asset Management.

Douglas Baker, CFA, is a Senior Vice President at Nuveen Asset Management and a portfolio manager for the fund and related preferred security strategies. He originally joined Nuveen Asset Management in 2006 as a Vice President and Derivatives Analyst, and later that year his responsibilities expanded to include portfolio management duties for the Nuveen Preferred Securities Fund. In addition to managing various preferred securities strategies, Mr. Baker also manages Nuveen Asset Management's derivative overlay group, where he is responsible for implementing derivatives-based hedging strategies across the Nuveen Asset Management complex, as well as managing collateral accounts for several commodity-based strategies.

Brenda A. Langenfeld, CFA, is a Vice President at Nuveen Asset Management and a portfolio manager for the fund and related preferred security strategies. She is also a co-manager for the real asset income strategy, which invests in income-generating debt and equity securities from both the real estate and infrastructure segments, since 2015. She started working in the financial services industry with FAF Advisors, Inc. in 2004. Previously, Ms. Langenfeld was a member of the high-grade credit sector team, responsible for trading corporate bonds, and prior to that, she was a member of the securitized debt sector team, trading mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

**Item 8(a)(2). OTHER ACCOUNTS MANAGED BY PORTFOLIO MANAGERS**

In addition to the Fund, as of July 31, 2016, the portfolio managers are also primarily responsible for the day-to-day portfolio management of the following accounts:

| Portfolio Manager | Type of Account                 |  | Number of Accounts | Assets*          |
|-------------------|---------------------------------|--|--------------------|------------------|
|                   | Managed                         |  |                    |                  |
| Douglas Baker     | Registered Investment Companies |  | 6                  | \$ 4.963 billion |
|                   | Pooled Accounts                 |  | 2                  | \$ 101 million   |
|                   | Separately Managed accounts     |  | 316                | \$ 511 million   |
| Brenda Langenfeld | Registered Investment Companies |  | 5                  | \$ 5.133 billion |
|                   | Pooled Accounts                 |  | 4                  | \$ 182 million   |

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Separately Managed accounts

316 \$ 511 million

\* Assets are as of July 31, 2016. None of the assets in these accounts are subject to an advisory fee based on performance.

## POTENTIAL MATERIAL CONFLICTS OF INTEREST

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented a number of potential conflicts, including, among others, those discussed below.

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. Nuveen Asset Management seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, Nuveen Asset Management has adopted procedures for allocating limited opportunities across multiple accounts.

With respect to many of its clients' accounts, Nuveen Asset Management determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, Nuveen Asset Management may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, Nuveen Asset Management may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.

Some clients are subject to different regulations. As a consequence of this difference in regulatory requirements, some clients may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where Nuveen Asset Management has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

Nuveen Asset Management has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Item 8(a)(3). FUND MANAGER COMPENSATION

Portfolio manager compensation consists primarily of base pay, an annual cash bonus and long term incentive payments.

*Base pay.* Base pay is determined based upon an analysis of the portfolio manager's general performance, experience, and market levels of base pay for such position.

*Annual cash bonus.* The Fund's portfolio managers are eligible for an annual cash bonus based on investment performance, qualitative evaluation and financial performance of Nuveen Asset Management.

A portion of each portfolio manager's annual cash bonus is based on the Fund's investment performance, generally measured over the past one- and three or five-year periods unless the portfolio manager's tenure is shorter. Investment performance for the Fund generally is determined by evaluating the Fund's performance relative to its benchmark(s) and/or Lipper industry peer group.

A portion of the cash bonus is based on a qualitative evaluation made by each portfolio manager's supervisor taking into consideration a number of factors, including the portfolio manager's team collaboration, expense management, support of personnel responsible for asset growth, and his or her compliance with Nuveen Asset Management's policies and procedures.

The final factor influencing a portfolio manager's cash bonus is the financial performance of Nuveen Asset Management based on its operating earnings.

*Long-term incentive compensation.* Certain key employees of Nuveen Investments and its affiliates, including certain portfolio managers, participate in a Long-Term Performance Plan designed to provide compensation opportunities that links a portion of each participant's compensation to Nuveen Investments' financial and operational performance. In addition, certain key employees of Nuveen Asset Management, including certain portfolio managers, have received profits interests in Nuveen Asset Management which entitle their holders to participate in the firm's growth over time.

There are generally no differences between the methods used to determine compensation with respect to the Fund and the Other Accounts shown in the table above.

Item 8(a)(4). OWNERSHIP OF JPC SECURITIES AS OF JULY 31, 2016

**Name of Portfolio**

|                   |             | <b>\$1 -</b>    | <b>\$10,001-</b> | <b>\$50,001-</b> | <b>\$100,001-</b> | <b>\$500,001-</b>  | <b>Over</b>        |
|-------------------|-------------|-----------------|------------------|------------------|-------------------|--------------------|--------------------|
| <b>Manager</b>    | <b>None</b> | <b>\$10,000</b> | <b>\$50,000</b>  | <b>\$100,000</b> | <b>\$500,000</b>  | <b>\$1,000,000</b> | <b>\$1,000,000</b> |
| Doug Baker        | X           |                 |                  |                  |                   |                    |                    |
| Brenda Langenfeld | X           |                 |                  |                  |                   |                    |                    |

## NWQ

## Item 8(a)(1). PORTFOLIO MANAGER BIOGRAPHIES

Thomas J. Ray, CFA, Managing Director, Head of Fixed Income, Fixed Income Portfolio Manager/Analyst

Prior to joining NWQ in 2015, Tom was a Private Investor. Prior to that, he served as Chief Investment Officer, President and founding member of Inflective Asset Management; a boutique investment firm specializing in convertible securities. Prior to founding Inflective, Tom also served as portfolio manager at Transamerica Investment Management. Tom graduated from University of Wisconsin with a B.B.A in Finance, Investment & Banking and an M.S. in Finance. He holds the Chartered Financial Analyst designation and is a member of the CFA Institute.

Susi Budiman, CFA, Managing Director, Fixed Income Portfolio Manager/Analyst

Prior to joining NWQ in 2006, Susi was Portfolio Manager for China Life Insurance Company in Taiwan where she managed multi-sector and multi-currency fixed income portfolios with responsibility for over \$1.8 billion in assets under management.

Prior to that, she was a currency exchange associate at Fleet National Bank in Singapore covering Asian, Euro, and other major currencies. Susi earned her bachelor's degree in Finance from the University of British Columbia and received her M.B.A. in Finance at the Marshall School of Business at the University of Southern California. She earned her Chartered Financial Analyst designation from the CFA Institute in 2006 and is a member of the Los Angeles Society of Financial Analysts. She also earned her Financial Risk Manager designation in 2003.

## Item 8(a)(2). OTHER ACCOUNTS MANAGED AS OF JULY 31, 2016

|                               | Thomas J. Ray    | Susi Budiman     |
|-------------------------------|------------------|------------------|
| <b>(a) RICs</b>               |                  |                  |
| Number of accts               | 6                | 4                |
| Assets (\$000s)               | \$796,913,649.78 | \$467,832,014.28 |
| <b>(b) Other pooled accts</b> |                  |                  |
| Non-performance fee accts     |                  |                  |
| Number of accts               | 2                | 2                |
| Assets (\$000s)               | \$112,794,339.65 | \$112,794,339.65 |
| <b>(c) Other</b>              |                  |                  |
| Non-performance fee accts     |                  |                  |
| Number of accts               | 3819             | 3817             |
| Assets (\$000s)               | \$978,735,923.13 | \$977,582,768.62 |
| Performance fee accts         |                  |                  |
| Number of accts               | 0                | 0                |
| Assets (\$000s)               | 0                | 0                |

## POTENTIAL MATERIAL CONFLICTS OF INTEREST

Actual or perceived conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented with the following potential conflicts, which are not intended to be an exhaustive list:

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. NWQ seeks to manage such competing interests for the time and attention of the portfolio manager by utilizing investment models for the management of most investment strategies.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, NWQ has adopted procedures for allocating limited opportunities across multiple accounts.

With respect to many of its clients' accounts, NWQ determines which broker to utilize when placing orders for execution, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, NWQ may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, NWQ may place separate transactions for certain accounts which may temporarily affect the market price of the security or the execution of the transactions, or both, to the detriment of other accounts. NWQ seeks to minimize market impact by using its discretion in releasing orders in a manner which seeks to cause the least possible impact while keeping within the approximate price range of the discretionary block trade.

Finally, the appearance of a conflict of interest may arise where NWQ has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which the portfolio manager has day-to-day management responsibilities. NWQ periodically performs a comparative analysis of the performance between accounts with performance fees and those without performance fees. NWQ has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Item 8(a)(3). FUND MANAGER COMPENSATION

NWQ offers a highly competitive compensation structure with the purpose of attracting and retaining the most talented investment professionals. These professionals are rewarded through a

combination of cash and long-term incentive compensation as determined by the firm's executive committee. Total cash compensation (TCC) consists of both a base salary and an annual bonus that can be a multiple of the base salary.

NWQ annually benchmarks TCC to prevailing industry norms with the objective of achieving competitive levels for all contributing professionals. In addition, Nuveen annually participates in the McLagan compensation survey, and regularly benchmarks employee salaries, bonus, and total cash levels to ensure it remains competitive.

Available bonus pool compensation is primarily a function of the firm's overall annual profitability, and in the interest of employee and client interest alliance, NWQ's bonus pool will be augmented based on investment performance exceeding applicable benchmarks. Individual bonuses are based primarily on the following:

Overall performance of client portfolios

Objective review of stock recommendations and the quality of primary research

Subjective review of the professional's contributions to portfolio strategy, teamwork, collaboration, and work ethic

To further strengthen our incentive compensation package and to create an even stronger alignment with the long-term success of the firm, NWQ provides a number of other incentive opportunities through long-term employment contracts with certain senior executives, retention agreements, and an equity incentive plan with non-solicitation and non-compete provisions for participating employees. The equity incentive plan provides meaningful equity to participating employees that is similar to restricted stock and options, and vests over the next several years. As mentioned above, the equity ownership is large in scale, broadly distributed, and has a robust governance structure to ensure that NWQ's professionals have a strong alignment of interests with the firm's clients over the long term. Equity incentive plans allowing key employees of NWQ to participate in the firm's growth over time have been in place since Nuveen's acquisition of NWQ.

At NWQ, we believe that we are an employer of choice. Our analysts have a meaningful impact on the portfolio and, therefore, are compensated in a manner similar to portfolio managers at many other firms. Benefits besides compensation include a college tuition program for the children of all full-time employees whereby they are eligible for reimbursement of tuition and other mandatory fees, among others.

Item 8(a)(4). OWNERSHIP OF JPC SECURITIES AS OF JULY 31, 2016

**Name of Portfolio**

|                |             | \$1 -<br>\$10,000 | \$10,001-<br>\$50,000 | \$50,001-<br>\$100,000 | \$100,001-<br>\$500,000 | \$500,001-<br>\$1,000,000 | Over<br>\$1,000,000 |
|----------------|-------------|-------------------|-----------------------|------------------------|-------------------------|---------------------------|---------------------|
| <b>Manager</b> | <b>None</b> |                   |                       |                        |                         |                           |                     |
| Thomas J. Ray  | X           |                   |                       |                        |                         |                           |                     |
| Susi Budiman   | X           |                   |                       |                        |                         |                           |                     |

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15 (b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15 (b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.



ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at [www.nuveen.com/CEF/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx) and there were no amendments during the period covered by this report. (To view the code, click on Code of Conduct.)

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Preferred Income Opportunities Fund

By (Signature and Title) /s/ Gifford R. Zimmerman  
Gifford R. Zimmerman  
Vice President and Secretary

Date: October 6, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Cedric A. Antosiewicz  
Cedric A. Antosiewicz  
Chief Administrative Officer  
(principal executive officer)

Date: October 6, 2016

By (Signature and Title) /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller  
(principal financial officer)

Date: October 6, 2016