

Nuveen Floating Rate Income Opportunity Fund  
Form N-2/A  
November 02, 2016

As filed with the U.S. Securities and Exchange Commission on November 2, 2016

1933 Act File No. 333-212356

1940 Act File No. 811-21579

## U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### Form N-2

(Check appropriate box or boxes)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. 3

Post-Effective Amendment No.

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 20

## Nuveen Floating Rate Income Opportunity Fund

(Exact name of Registrant as Specified in Charter)

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**333 West Wacker Drive, Chicago, Illinois 60606**

(Address of Principal Executive Offices)

(Number, Street, City, State, Zip Code)

(Registrant's Telephone Number, including Area Code): (800) 257-8787

**Gifford R. Zimmerman**

**Vice President and Secretary**

**333 West Wacker Drive**

**Chicago, Illinois 60606**

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

*Copies to:*

**David P. Glatz**

**Stradley Ronon Stevens & Young, LLP  
191 N. Wacker Drive, Suite 1601**

**Chicago, IL 60606**

**Eric F. Fess**

**Chapman and Cutler LLP**

**111 W. Monroe Street**

**Chicago, IL 60603**

**Approximate Date of Proposed Public Offering:**

From time to time after the effective date of this Registration Statement.

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

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

When declared effective pursuant to section 8(c)

**CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933**

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<b>Title of Securities Being Registered</b>	<b>Amount Being Registered</b>	<b>Proposed Maximum Offering Price Per Unit<sup>(2)</sup></b>	<b>Proposed Maximum Aggregate Offering Price<sup>(2)</sup></b>	<b>Amount of Registration Fee<sup>(3)</sup></b>
Term Preferred Shares	95,000 Shares <sup>(1)</sup>	\$1,000	\$95,000,000	\$9,567

- (1) The Fund will offer, on an immediate, continuous or delayed basis, Term Preferred Shares, at an estimated offering price of \$1,000 per share.
- (2) Estimated solely for the purpose of calculating the registration fee. In no event will the aggregate initial offering price of the securities offered from time to time pursuant to the prospectus included as a part of this Registration Statement exceed \$95,000,000.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated \_\_\_\_\_, 2016

**BASE PROSPECTUS**

\$

*Nuveen Floating Rate Income Opportunity Fund*

*TERM PREFERRED SHARES*

Shares

Liquidation Preference \$1,000 Per Share

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**The Offering.** Nuveen Floating Rate Income Opportunity Fund (the *Fund*) is offering, on an immediate, continuous or delayed basis, up to 95,000,000 Term Preferred Shares ( *Term Preferred Shares* ), with a liquidation preference of \$1,000 per share. The Fund currently intends to distribute the shares offered pursuant to this Prospectus primarily through an underwriting syndicate, although from time to time it may also distribute shares through privately negotiated transactions. To the extent shares are distributed other than through an underwriting syndicate, the Fund will file a supplement to this Prospectus describing such transactions. For information on how Term Preferred Shares may be sold, see the *Plan of Distribution* section of this Prospectus. The Fund intends to use the proceeds from the sale of Term Preferred Shares to redeem all or a portion of the Fund's preferred shares outstanding from time to time, including all or a portion of the Fund's outstanding Variable Rate Term Preferred Shares ( *VRTP Shares* ). Following the redemption of all of the Fund's outstanding VRTP shares, the Fund may use the proceeds from the sale of Term Preferred Shares to repay a portion of the Fund's borrowings under its credit agreement and to increase the Fund's leverage. The series designation, term redemption date, dividend rate and other details concerning any issuance of Term Preferred Shares under this Prospectus will be disclosed in a prospectus supplement applicable to a particular offering.

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**The Fund.** *This Prospectus, together with any prospectus supplement, sets forth concisely information about the Fund that a prospective investor should know before investing, and should be retained for future reference. The Fund is a diversified, closed-end management investment company. The Fund's investment objective is to achieve a high level of current income.*

**Unlisted Shares.** *The Term Preferred Shares are not listed or traded on any securities exchange. An investment in Term Preferred Shares may be illiquid and there may be no active secondary trading market. Thus, Term Preferred Shares are not suitable for investors who seek the return of their investment within a specified timeframe before the term redemption date of the Term Preferred Shares.*

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**Investing in Term Preferred Shares involves risks. See Risk Factors beginning on page 47. Certain of these risks are summarized in Prospectus Summary Special Risk Considerations beginning on page 13 of this Prospectus. Although Term Preferred Shares are senior securities of the Fund, with priority in all respects to the Fund's common shares, you could lose some or all of your investment.**

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

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**PRICE \$1,000 A SHARE**

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*The price to the public, underwriting discounts and commissions, estimated offering costs and proceeds, after expenses, to the Fund for any issuance of Term Preferred Shares under this Prospectus will be disclosed in a prospectus supplement.*

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, 2016

(continued from previous page)

**Investment Strategies.** The Fund invests at least 80% of its Managed Assets (as defined on page 8) in adjustable rate loans, primarily secured senior loans. As part of the 80% requirement, the Fund also may invest in adjustable rate unsecured senior loans and adjustable rate secured and unsecured subordinated loans. Senior Loans that the Fund intends to invest in are usually rated below investment grade, and share the same risks of other below investment grade debt instruments. The Fund invests at least 65% of its Managed Assets in adjustable rate senior loans that are secured by specific collateral. Adjustable rate loans are made to U.S. or non-U.S. corporations, partnerships and other similar types of business entities that operate in various industries and geographical regions. Such adjustable rate loans pay interest at rates that are redetermined periodically at short-term intervals on the basis of an adjustable base lending rate plus a premium. The Fund may invest its Managed Assets without limit in adjustable rate loans and other debt instruments that are, at the time of investment, rated below investment grade or unrated but judged to be of comparable quality; however, the Fund may not invest, at the time of investment, more than 30% of its Managed Assets in securities rated below CCC+ or Caa, including securities in default. Substantially all of the Fund's portfolio likely will be invested in debt instruments of below investment grade quality. Investments rated below investment grade, or that are unrated but of equivalent credit quality, are commonly referred as *junk bonds* and have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal when due.

The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. issuers, which may include debt securities of issuers located, or conducting their business in, emerging markets countries.

**Leverage.** Regulatory leverage consists of *senior securities* as defined under the Investment Company Act of 1940, as amended (the *1940 Act*), which include (1) borrowings, including loans from financial institutions (*Borrowings*); (2) issuance of debt securities; and (3) issuance of preferred shares ((1),(2), and (3) are hereinafter collectively referred to as *regulatory leverage*). The Fund currently has outstanding (1) borrowings and (2) VRTP Shares, all or a portion of which will be redeemed with the proceeds of this offering. In addition to Regulatory Leverage, the Fund may utilize derivatives such as credit default swaps, interest rate swaps and total return swaps that have the economic effect of leverage by creating additional investment exposure. See *The Fund's Investments*. There is no assurance that the Fund's leveraging strategy will be successful. Leverage involves special risks. See *Risk Factors Fund Level Risks Leverage Risk*.

**Dividends.** The dividend rate payable on the Term Preferred Shares on any date will be determined in accordance with the Fund's Statement Establishing and Fixing the Rights and Preferences of Term Preferred Shares (the *Statement*). Dividends on the Term Preferred Shares will be payable monthly. Dividends will be paid on the first business day of the month next following a dividend period and upon redemption of the Term Preferred Shares (each payment date a *Dividend Payment Date*). Dividends with respect to any monthly dividend period will be declared and paid to holders of record of Term Preferred Shares as their names shall appear on the registration books of the Fund at the close of business on the day immediately preceding such Dividend Payment Date (or, if such day is not a business day, the next preceding business day).

**Redemption.** The Fund is required to redeem the Term Preferred Shares on the date specified in the Statement, unless earlier redeemed or repurchased by the Fund. In addition, Term Preferred Shares are subject to optional redemption by the Fund in certain circumstances. Term Preferred Shares will be subject to redemption at the option of the Fund, subject to payment of a premium for the period specified in the Statement, and at their liquidation preference thereafter. See *Description of Term Preferred Shares Redemption*.

**Priority of Payment.** The Fund has entered into a credit agreement with several conduit lenders and Citibank, N.A. as a lender, liquidity provider and as agent for the lenders (collectively, *Citibank*) (the *Credit Agreement*), and has an outstanding balance. See *Use of Leverage*. The rights of lenders, such as Citibank and any other creditors, to receive payments of interest on and repayments of principal of any borrowings are senior to the rights of holders of Term Preferred Shares and the Fund's common shares, with respect to the payment of dividends and other distributions, and upon liquidation. The Fund may not be permitted to redeem Term Preferred Shares unless at such time, the Fund meets certain asset coverage requirements and no event of default or other circumstance exists under the Credit Agreement that would limit or otherwise block payments in redemption. Term Preferred Shares, however, will be senior securities that represent stock of the Fund and are senior, with priority in all respects, to the Fund's common shares as to payments of dividends and as to distribution of assets upon dissolution,

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*liquidation or winding up of the affairs of the Fund. The Fund may issue additional preferred shares on parity with Term Preferred Shares, subject to certain limitations. The Fund may not issue additional classes of shares that are senior to Term Preferred Shares and other outstanding preferred shares of the Fund as to payments of dividends or as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. See Description of Term Preferred Shares.*

*(continued from previous page)*

**Redemption and Paying Agent.** *The redemption and paying agent for Term Preferred Shares will be State Street Bank and Trust Company, Canton, Massachusetts. State Street has subcontracted the redemption and paying agency servicing of the Fund to Computershare Inc.*

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*You should read this Prospectus, together with any prospectus supplement, which contains important information about the Fund, before deciding whether to invest in Term Preferred Shares and retain it for future reference. A Statement of Additional Information, dated , 2016, and as it may be supplemented, containing additional information about the Fund has been filed with the SEC and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 75 of this Prospectus, annual and semi-annual reports to shareholders, when available, and other information about the Fund, and make shareholder inquiries by calling (800) 257-8787 or by writing to the Fund, or from the Fund's website (www.nuveen.com). The information contained in, or that can be accessed through, the Fund's website is not part of this Prospectus. You also may obtain a copy of the Statement of Additional Information (and other information regarding the Fund) from the SEC's website (www.sec.gov).*

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**Term Preferred Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**



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**You should rely only on the information contained or incorporated by reference into this Prospectus. The Fund has not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not making an offer of Term Preferred Shares in any state where the offer is not permitted. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Fund's business, financial condition and prospects may have changed since that date. The Fund will update this Prospectus to reflect any material changes to the disclosures herein.**

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**PROSPECTUS SUMMARY**

*This is only a summary. You should review the more detailed information contained elsewhere in this Prospectus, in any prospectus supplement and in the Statement of Additional Information, dated \_\_\_\_\_, 2016, and as it may be supplemented (the SAI), including the Fund's Statement Establishing and Fixing the Rights and Preferences of Term Preferred Shares (the Statement), attached as Appendix A to the SAI, prior to making an investment in the Fund, especially the information set forth under the heading Risk Factors.*

**The Fund**

Nuveen Floating Rate Income Opportunity Fund (the Fund) is a diversified, closed-end management investment company. The Fund's common shares, \$.01 par value (Common Shares), are traded on the New York Stock Exchange (the NYSE) under the symbol JRO. See Description of Outstanding Shares and Debt Common Shares. As of July 31, 2016, the Fund had 38,478,782 Common Shares outstanding, net assets applicable to Common Shares of \$435,188,829, and 750 Variable Rate Term Preferred Shares, Series C-4, with a liquidation preference of \$100,000 per share (the VRTP Shares) outstanding. Term Preferred Shares, as defined below, and any other preferred shares of the Fund, including VRTP Shares, that may then be outstanding are collectively referred to as Preferred Shares. The Fund commenced investment operations on July 27, 2004. Holders of Common Shares are referred to as Common Shareholders.

**Offering Methods**

The Fund may offer, on an immediate, continuous or delayed basis, up to \$95,000,000 of Term Preferred Shares (Term Preferred Shares), on terms to be determined at the time of the offering. The series designation, term redemption date, dividend rate and other details concerning any issuance of Term Preferred Shares under this Prospectus will be disclosed in a prospectus supplement. The Fund may offer Term Preferred Shares using one or more of the following methods: (i) through an underwriting syndicate; and (ii) through privately negotiated transactions between the Fund and specific investors. See Plan of Distribution.

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

*Distribution Through Underwriting Syndicate.* The Fund expects to issue Term Preferred Shares through a syndicated offering. The Fund will launch a syndicated offering on a day, and upon terms, mutually agreed upon between the Fund and the underwriting syndicate.

The Fund will offer Term Preferred Shares at a price of \$1,000 per share, including underwriting discounts and commissions, which will be paid by investors. The applicable underwriting discounts and

commissions will be negotiated by the Fund in consultation with the underwriting syndicate. The Fund will compensate the underwriting syndicate out of the proceeds of the offering based upon a sales load to be disclosed in a prospectus supplement. See Plan of Distribution Distribution Through Underwriting Syndicates.

The Fund intends to use the proceeds from the sale of Term Preferred Shares to redeem all or a portion of the Fund's Preferred Shares outstanding from time to time, including all or a portion of the Fund's outstanding VRTP Shares. Following the redemption of all of the Fund's outstanding VRTP Shares, the Fund may use the proceeds from the sale of Term Preferred Shares to repay a portion of the Fund's borrowing under its Credit Agreement (as defined below) and to increase the Fund's leverage. The first issuance date of the Term Preferred Shares upon the closing of this offering is referred to herein as the Date of Original Issue.

*Distribution Through Privately Negotiated Transactions.* The Fund from time to time may sell directly to, and solicit offers from, institutional and other sophisticated investors, who may be deemed to be underwriters as defined in the Securities Act of 1933 (the 1933 Act) for any resale of Term Preferred Shares. No sales commission or other compensation will be paid to any FINRA member in connection with such transactions. The terms of such privately negotiated transactions will be subject to the discretion of the management of the Fund. In determining whether to sell Term Preferred Shares through a privately negotiated transaction, the Fund will consider relevant factors, including, but not limited to, the attractiveness of obtaining additional funds through the sale of Term Preferred Shares, the purchase price to apply to any such sale of Term Preferred Shares and the investor seeking to purchase the Term Preferred Shares. See Plan of Distribution Distribution Through Privately Negotiated Transactions.

#### **Priority of Payment**

The Fund has entered into a credit agreement with several conduit lenders and Citibank, N.A. as a lender, liquidity provider and as agent for the lenders (collectively, Citibank) (the Credit Agreement), and has an outstanding balance. See Use of Leverage. The rights of lenders, such as Citibank, and any other creditors to receive payments of interest on and repayments of principal of any borrowings are senior to the rights of holders of Preferred Shares, including Term Preferred Shares, and Common Shareholders (each, a Shareholder), with respect to the payment of dividends and other distributions, and upon liquidation.

Under the Credit Agreement, the Fund may not be permitted to redeem Term Preferred Shares unless at such time, the Fund meets certain asset coverage and borrowing base requirements and no event of default or other circumstance exists under the Credit Agreement that would limit or otherwise block payments in redemption. In general, asset coverage measures how well a company can repay or cover its obligations, including debt obligations like Borrowings (as

defined in "Use of Leverage") under the Credit Agreement and Preferred Shares, such as the Term Preferred Shares. In general, the borrowing base is the total amount of collateral against which a lender will lend funds to a company. It typically represents a maximum cap on how much asset-based debt a company can obtain, and involves multiplying a discount factor by each type of asset used as collateral.

Under the Credit Agreement, the Fund cannot make any redemption or dividend payment on the Term Preferred Shares if immediately after giving effect to such payment the Fund will have less than 263% asset coverage with respect to senior securities representing indebtedness. Furthermore, the Fund must (i) have 300% asset coverage with respect to senior securities representing indebtedness, and (ii) meet certain borrowing base tests as a condition precedent to borrowing under the Credit Agreement. If the Fund fails to have asset coverage of at least 263% as of the close of business on any Business Day on which asset coverage is required to be calculated, the Fund must use available funds to prepay Borrowings on such date, and if it is unable, no later than the close of business on the fifth Business Day (as defined below) following such event, prepay any Borrowings, in each case such that the Fund regains asset coverage with respect to senior securities representing indebtedness of at least 300%.

Term Preferred Shares will be senior securities that constitute stock of the Fund and are senior, with priority in all respects, to the Fund's Common Shares as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. Term Preferred Shares have equal priority with respect to outstanding VRTP Shares. The Fund may not issue additional classes of shares that are senior to the Term Preferred Shares as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund.

#### **Who May Want to Invest**

You should consider your investment goals, time horizons and risk tolerance before investing in Term Preferred Shares. An investment in Term Preferred Shares is not appropriate for all investors and is not intended to be a complete investment program. Term Preferred Shares are designed as a short-term investment to help achieve the after-tax income and capital preservation goals of investors, and not as a trading vehicle. Term Preferred Shares may be an appropriate investment for you if you are seeking:

Consistent monthly dividends;

Return of your capital investment after a limited term to be disclosed in a prospectus supplement;

A security that benefits from significant over-collateralization and related protective provisions; and

A short-term fixed income investment with potentially less price volatility than longer-dated fixed income securities.

However, keep in mind that you will need to assume the risks associated with an investment in Term Preferred Shares and the Fund. See Risk Factors.

**Dividend Rate**

Term Preferred Shares pay a dividend at an initial rate per annum to be disclosed in a prospectus supplement, subject to adjustment as set forth below and in accordance with the Statement (the Dividend Rate ). The Dividend Rate will not in any event be lower than the initial Dividend Rate.

The Dividend Rate payable on the Term Preferred Shares on any date will be determined in accordance with the Statement, and will be disclosed in a prospectus supplement.

See Description of Term Preferred Shares Dividends and Dividend Periods Dividend Rate.

**Dividend Payments**

The holders of Term Preferred Shares will be entitled to receive cumulative cash dividends and other distributions on each such share, when, as and if declared by, or under authority granted by, the Board of Trustees of the Fund (the Board of Trustees ), out of funds legally available for payment. The term other distributions refers to capital gains distributions and distributions that are not treated as dividends for federal tax purposes in the event that the Fund has insufficient earnings and profits (often referred to as a return of capital ). Dividends on the Term Preferred Shares will be payable monthly. The first dividend period for the Term Preferred Shares will commence on the Date of Original Issue of Term Preferred Shares and end on the date specified in the Statement and disclosed in a prospectus supplement and each subsequent dividend period will be a calendar month (or the portion thereof occurring prior to the redemption of such Term Preferred Shares) (each dividend period a Dividend Period ). Dividends will be paid on the first Business Day of the month next following a Dividend Period and upon redemption of the Term Preferred Shares (each payment date a Dividend Payment Date ). Dividends with respect to any monthly Dividend Period will be declared and paid to holders of record of Term Preferred Shares as their names shall appear on the registration books of the Fund at the close of business on the day immediately preceding such Dividend Payment Date (or, if such day is not a Business Day, the next preceding Business Day). See Description of Term Preferred Shares Dividends and Dividend Periods.

Business Day means any day (a) other than a day on which commercial banks in The City of New York, New York are required or authorized by law or executive order to close and (b) on which the NYSE is not closed.

On account of the foregoing provisions, only the holders of Term Preferred Shares on the record date for a Dividend Period will be entitled to receive dividends and other distributions payable with

respect to such Dividend Period, and holders of Term Preferred Shares who sell shares before such a record date and purchasers of Term Preferred Shares who purchase shares after such a record date should take the effect of the foregoing provisions into account in evaluating the price to be received or paid for such Term Preferred Shares.

#### **Term Redemption**

The Fund is required to provide for the mandatory redemption of all outstanding Term Preferred Shares on the date specified in the Statement and disclosed in a prospectus supplement, at a redemption price equal to \$1,000 per share plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but without interest thereon) to (but excluding) the redemption date (the Term Redemption Price) out of funds legally available therefore and to the extent permitted by any credit agreement in effect on such date. No amendment, alteration or repeal of the obligations of the Fund to redeem all of the Term Preferred Shares on the term redemption date can be effected without the unanimous vote or consent of the holders of Term Preferred Shares outstanding at such time. See Description of Term Preferred Shares Redemption and Voting Rights.

#### **Asset Coverage and Corrective**

##### **Action**

If the Fund fails to have Asset Coverage (as defined under Asset Coverage below) of at least 225% as of the close of business on any Business Day on which such Asset Coverage is required to be calculated and such failure is not cured as of the close of business on the date that is 30 calendar days following such Business Day (the Asset Coverage Cure Date), the Fund will, to the extent permitted by the Investment Company Act of 1940, as amended (the 1940 Act) and Massachusetts law and pursuant to the terms and conditions of any credit agreement, loan agreement, credit facility or other agreement representing borrowings of the Fund that is in effect at such time, by the close of business on the Business Day next following such Asset Coverage Cure Date, determine (i) the Corrective Action (as defined below) to be taken to cause the Fund to regain Asset Coverage; (ii) if applicable, the identity and market value of assets of the Fund to be sold in connection with a Corrective Action; and (iii) the date, which date will not be later than 20 Business Days following such Asset Coverage Cure Date, on which the Fund will regain Asset Coverage. As used herein, Corrective Action means, for the purpose of allowing the Fund to comply with the Asset Coverage requirements, (a) the irrevocable deposit with the Redemption and Paying Agent (as defined in Redemption and Paying Agent) of certain securities described in the Statement to fund the redemption of Term Preferred Shares; (b) the repayment of indebtedness of the Fund; (c) corrective trades involving Fund assets; or (d) any combination of the actions described in clauses (a) through (c) above. If Term Preferred Shares are to be redeemed in such an event, they will be redeemed out of funds legally available therefore and to the extent permitted by any credit agreement in effect on such

date at a redemption price equal to their \$1,000 liquidation preference per share plus accumulated but unpaid dividends thereon (whether or not declared, but excluding interest thereon) to (but excluding) the date fixed for such redemption (the Asset Coverage Redemption Price ). Corrective trades described above may be made at a time when it would be disadvantageous for the Fund to do so.

#### **Optional Redemption**

Term Preferred Shares will be subject to optional redemption (in whole or, from time to time, in part) at the sole option of the Fund out of funds legally available therefor and to the extent permitted by any credit agreement in effect on such date, at the redemption price per share equal to the sum of the \$1,000 liquidation preference per share plus (i) a premium (expressed as a percentage of the liquidation preference) (with no such premium on or after the date specified in the Statement and disclosed in a prospectus supplement) and (ii) an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but without interest thereon) to (but excluding) the date fixed for such redemption. See Description of Term Preferred Shares Redemption Optional Redemption.

#### **Federal and State Income Taxes**

The Fund has elected to be treated, and intends to continue to qualify each year, as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code ). As a regulated investment company, the Fund generally does not expect to be subject to federal income tax. The Fund has received an opinion from its tax counsel that for federal income tax purposes, the Term Preferred Shares will be treated as equity in the Fund. See Tax Matters.

#### **Ratings**

The Fund is obligated only to use commercially reasonable efforts to cause at least one rating agency (each a Rating Agency and collectively the Rating Agencies ) to publish a credit rating with respect to the Term Preferred Shares for so long as Term Preferred Shares are outstanding. The Fund may choose a different Rating Agency or Rating Agencies to rate the Term Preferred Shares and the ratings of the Term Preferred Shares may vary.

The Fund may be subject to certain restrictions or guidelines by a Rating Agency to achieve a desired rating. Such restrictions and guidelines vary by Rating Agency and by desired ratings. These guidelines generally include asset coverage requirements; portfolio characteristics such as portfolio diversification and credit rating criteria; and qualitative views on the Fund and Fund management. While these restrictions and guidelines may impose different requirements than those under the 1940 Act, it is not anticipated that these restrictions or guidelines will impede the management of the Fund's portfolio in accordance with the Fund's investment objective and policies.

Further details, including the applicable Rating Agencies, concerning the ratings of any series of Term Preferred Shares sold under this Prospectus will be set forth in a prospectus supplement relating to the offering of such series. The Fund will bear the costs associated with obtaining any rating on the Term Preferred Shares.

**Asset Coverage**

If the Fund fails to maintain at least 225% Asset Coverage as of the close of business on each Business Day, and such failure is not cured as of the Asset Coverage Cure Date under the governing documents for the Term Preferred Shares, the Fund shall be required to take Corrective Action as provided above. Asset Coverage for Term Preferred Shares is calculated pursuant to Section 18(h) of the 1940 Act, as in effect on the date of the Statement, and is determined on the basis of values calculated as of a time within 48 hours (only including Business Days) preceding each daily determination ( Asset Coverage ). In maintaining Asset Coverage as described above, the Fund may be required to sell a portion of its investments at a time that it may be disadvantageous for the Fund to do so if, as a result of market fluctuations or otherwise, the Fund fails to maintain the Asset Coverage of at least 225% under the Term Preferred Shares governing documents or as a result of the provisions relating to asset coverage of at least 200% under the 1940 Act. See Description of Term Preferred Shares Asset Coverage.

**Voting Rights**

Except as otherwise provided in the Fund's Declaration of Trust, the Statement or as otherwise required by law, (i) each holder of Term Preferred Shares shall be entitled to one vote for each Term Preferred Share held by such holder on each matter submitted to a vote of Shareholders of the Fund and (ii) the holders of outstanding Preferred Shares, including the Term Preferred Shares, and of Common Shares (Common Shares and Preferred Shares shall hereinafter be referred to together as the Shares ) shall vote together as a single class; provided that holders of Preferred Shares, including the Term Preferred Shares, voting separately as a class, shall elect at least two of the Fund's trustees and will elect a majority of the Fund's trustees to the extent the Fund fails to pay dividends on any Preferred Shares, including the Term Preferred Shares, in an amount equal to two full years of dividends on that stock. See Description of Term Preferred Shares Voting Rights.

**Liquidation Preference**

The liquidation preference of Term Preferred Shares will be \$1,000 per share, unless otherwise specified in the Statement and disclosed in a prospectus supplement (the Liquidation Preference ). In the event of any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the holders of Term Preferred Shares will be entitled to receive a liquidation distribution per share equal to the Liquidation Preference plus an amount equal to all unpaid dividends and other distributions accumulated to (but excluding) the date fixed for distribution or payment (whether or not



earned or declared by the Fund, but without interest thereon). See Description of Term Preferred Shares Liquidation Rights.

### **Investment Objective and Policies**

The Fund's investment objective is to achieve a high level of current income. The Fund cannot assure you that it will achieve its investment objective. The Fund's investment objective and any investment policies identified as such are considered fundamental and may not be changed without shareholder approval.

As a non-fundamental policy, under normal market circumstances, the Fund invests at least 80% of its Managed Assets in adjustable rate loans, primarily secured Senior Loans (as defined below). With respect to the Fund's Senior Loans included in the 80% policy, such instruments will at all times have a dollar-weighted average time until the next interest rate adjustment of 90 days or less.

Managed Assets means the total assets of the Fund, minus the sum of its accrued liabilities (other than Fund liabilities incurred for the express purpose of creating leverage). Total assets for this purpose shall include assets attributable to the Fund's use of leverage.

As part of the Fund's 80% requirement, the Fund may invest in adjustable rate secured and unsecured Senior Loans and adjustable rate secured and unsecured subordinated loans. Senior Loans include floating or variable rate, U.S. dollar denominated secured and unsecured loans that hold the most senior position in the capital structure of an issuer. Adjustable rate Senior Loans and adjustable rate subordinated loans are sometimes collectively referred to in this Prospectus as Adjustable Rate Loans. Adjustable Rate Loans pay interest at rates that are redetermined periodically at short-term intervals by reference to a base lending rate, primarily the London Interbank Offered Rate (LIBOR) (of any tenor, but typically between one month and six months, and currency), plus a premium. The Fund may invest its Managed Assets without limit in Adjustable Rate Loans and other debt instruments that are, at the time of investment, rated below investment grade or unrated but judged to be of comparable quality. Securities (which term for purposes of this Prospectus includes Adjustable Rate Loans) of below investment grade quality are regarded as having predominately speculative characteristics with respect to capacity to pay interest and repay principal and are commonly referred to as junk bonds. Adjustable Rate Loans are made to U.S. or non-U.S. corporations, partnerships and other similar types of business entities (each a Borrower and collectively, Borrowers) that operate in various industries and geographical regions, which may include middle-market companies, to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, refinancings, internal growth and for other corporate purposes. As used in the Prospectus, middle-market generally refers to companies with annual revenues of approximately \$500 million or below and subordinated loans to middle markets companies are generally referred to as mezzanine loans.

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

Investment grade quality securities are those securities that, at the time of investment, are (i) rated by at least one nationally recognized statistical rating organization (NRSRO) within the four highest grades (BBB- or Baa3 or better by Standard & Poor's Corporation, a division of The McGraw-Hill Companies (S&P), Moody's Moody's Investor Service Inc. (Moody's) or Fitch Ratings, part of the Fitch Group (Fitch), or (ii) unrated but judged to be of comparable quality. The Fund may purchase Senior Loans and other debt securities that are rated below investment grade, commonly referred to as junk bonds, or that are unrated but judged by the Advisers to be of comparable quality. No more than 30% of the Fund's Managed Assets may be invested in Adjustable Rate Loans and other debt securities that are, at the time of investment, rated CCC+ or Caa or below by S&P, Moody's or Fitch or that are unrated but judged by the Advisers to be of comparable quality. See The Fund's Investments Portfolio Composition and Other Information and Risk Factors Issuer Level Risks Below Investment Grade Risk. Investment rating limitations are considered to apply only at the time of investment and the Fund is under no obligation to sell securities as a result of changes in market values or ratings.

Borrowers under Adjustable Rate Loans and issuers of other securities in which the Fund may invest are sometimes collectively referred to herein as Issuers.

Under normal circumstances:

The Fund invests at least 65% of its Managed Assets in Senior Loans that are secured by specific collateral. Such collateral

consists of assets and/or stock of the Borrower. See The Fund's Investments Portfolio Composition and Other Information Senior Loans Protective Provisions of Senior Loans and Risk Factors Issuer Level Risks Issuer Credit Risk.

The Fund maintains an average duration of one year or less for its portfolio investments in Adjustable Rate Loans and other debt instruments. See The Fund's Investments Investment Objective and Policies for a description of duration.

The Fund will not invest in inverse floating rate securities.

The Fund may invest up to 20% of its Managed Assets in securities of non-U.S. Issuers that are U.S. dollar or non-U.S. dollar denominated. The Fund's Managed Assets to be invested in Adjustable Rate Loans and other debt instruments of non-U.S. Issuers may include debt securities of Issuers located, or conducting their business in, emerging markets countries.

The Fund may not invest more than 20% of its Managed Assets in securities from an industry which (for the purposes of this Prospectus) generally refers to the classification of companies in the same or similar lines of business such as the automotive, textiles and apparel, hotels, media production and consumer retailing industries.

The Fund may invest more than 20% of its Managed Assets in sectors which (for the purposes of this Prospectus) generally refers to broader classifications of industries, such as the consumer discretionary sector which includes the automotive, textiles and apparel, hotels, media production and consumer retailing industries, provided the Fund's investment in a particular industry within the sector does not exceed the industry limitation.

The Fund may invest up to 50% of its Managed Assets in securities and other instruments that, at the time of investment, are illiquid (*i.e.*, securities that are not readily marketable). The appreciation of illiquid securities or the depreciation of liquid securities may put the Fund in a position where more than 50% of the value of its Managed Assets is invested in illiquid securities. In such circumstances, the Fund will not invest in any additional investments that are illiquid at the time of investment.

In pursuing its objective of high current income, the Fund invests in Adjustable Rate Loans and other debt instruments that may involve significant credit risk. As part of its efforts to manage this risk and the potential impact of such risk on the overall value and returns of the Fund's portfolio, the Fund generally follows a credit management strategy that includes (i) a focus on Senior Loans that are secured by specific assets, (ii) rigorous and on-going bottom-up fundamental analysis of Issuers, and (iii) overall portfolio diversification. The Subadviser (as defined below) will perform its own credit and research analysis of Issuers, taking into consideration, among other things, the entity's financial resources and operating history, its sensitivity to

economic conditions and trends, the ability of its management, its debt maturity schedules and borrowing requirements, its anticipated cash flow, interest and asset coverage, and its earnings prospects. Even with these efforts, because of the greater degree of credit risk within the portfolio, the Fund's net asset value ( NAV ) could decline over time. In an effort to help preserve the Fund's overall capital, the Subadviser seeks to enhance portfolio value by investing in securities it believes to be undervalued, which, if successful, can mitigate the potential loss of value due to credit events over time.

**Swap**

Prior to the closing date of this offering, the Fund expects to enter into an interest rate swap with a third party to be identified in a prospectus supplement that seeks to convert the economic impact of the dividend payable by the Fund on the Term Preferred Shares to a variable rate exposure. Under the swap, the Fund would receive a fixed payment at a rate equal to the applicable dividend rate being paid by the Fund on the Term Preferred Shares and in turn pay a fixed spread to the one-month U.S. dollar LIBOR index. Such third party will have the right, but not the obligation, to terminate the swap agreement as disclosed in a prospectus supplement. Settlement of the swap is contingent on the closing of the Term Preferred Shares offering. The swap termination date will not be contractually tied to the redemption of the Term Preferred Shares. Terms and conditions of the swap may be modified by the mutual written agreement of the Fund and such third party.

**Investment Adviser**

Nuveen Fund Advisors, LLC ( Nuveen Fund Advisors or the Adviser ) is the Fund's investment adviser, responsible for overseeing the Fund's overall investment strategy and its implementation.

Nuveen Fund Advisors, a registered investment adviser, offers advisory and investment management services to a broad range of investment company clients. Nuveen Fund Advisors has overall responsibility for management of the Fund, oversees the management of the Fund's portfolio, manages the Fund's business affairs and provides certain clerical, bookkeeping and other administrative services. Nuveen Fund Advisors is located at 333 West Wacker Drive, Chicago, Illinois 60606. Nuveen Fund Advisors is a subsidiary of Nuveen Investments, Inc. ( Nuveen Investments ). Nuveen Investments is an operating division of TIAA Global Asset Management ( TGAM ), the investment management arm of Teachers Insurance and Annuity Association of America ( TIAA ). TIAA is a life insurance company founded in 1918 by the Carnegie Foundation for the Advancement of Teaching and is the companion organization of College Retirement Equities Fund. As of June 30, 2016, TGAM managed approximately \$871 billion in assets, of which approximately \$130 billion was managed by Nuveen Fund Advisors.

**Sub-Adviser**

Symphony Asset Management LLC ( Symphony ) serves as the Fund's investment sub-adviser and is an affiliate of Nuveen Fund Advisors. Symphony is a registered investment adviser. Symphony oversees the day-to-day investment operations of the Fund.

**Use of Leverage**

Regulatory leverage consists of senior securities as defined under the 1940 Act, which include (1) borrowings, including loans from financial institutions ( Borrowings ); (2) issuance of debt securities; and (3) issuance of preferred shares ((1),(2), and (3) are hereinafter collectively referred to as regulatory leverage ). The Fund may utilize regulatory leverage to the extent permissible under the 1940 Act. The Fund currently employs regulatory leverage through borrowing under the Credit Agreement with Citibank and currently has outstanding VRTP Shares. The Fund intends to use the proceeds from the sale of Term Preferred Shares to redeem all or a portion of the Fund's Preferred Shares outstanding from time to time, including all or a portion of the Fund's outstanding VRTP Shares. Following the redemption of all of the Fund's outstanding VRTP Shares, the Fund may use the proceeds from the sale of Term Preferred Shares to repay a portion of the Fund's borrowing under its Credit Agreement and to increase the Fund's leverage. The borrowing capacity under the Credit Agreement is \$226 million. The term of the Credit Agreement ends on January 30, 2017, unless extended. The Fund has the right to augment or replace the Credit Agreement with a new credit agreement in the future, and any such augmented or replacement credit agreement may contain terms that are materially different than the terms contained in the existing Credit Agreement, including terms that limit payments to holders of Term Preferred Shares. As of July 31, 2016, the Fund's outstanding balance on these Borrowings under the Credit Agreement was \$166,800,000. For the fiscal year ended July 31, 2016, the average daily balance outstanding and the average annual interest rate on these Borrowings were \$164,933,880 and 1.28%, respectively. This credit facility is secured by substantially all of the assets of the Fund.

In addition to the regulatory leverage described above, the Fund may also enter into derivatives transactions, such as certain credit default swaps, total return swaps and bond futures, that have the economic effect of leverage by creating additional investment exposure. See Use of Leverage and The Fund's Investments Portfolio Composition and Other Information Derivatives in the Prospectus and Hedging Transactions in the SAI. The Fund may use leverage in an amount permissible under the 1940 Act and Securities and Exchange Commission ( SEC ) Guidance under the 1940 Act.

Leverage involves special risks. See Risk Factors Fund Level Risks Leverage Risk. There is no assurance that the Fund's leveraging strategy will be successful. See Use of Leverage.

The Fund pays a management fee to Nuveen Fund Advisors (which in turn pays a portion of its fee to the Fund's sub-adviser, Symphony) based on a percentage of Managed Assets. Managed Assets for this purpose includes the proceeds realized and managed from the Fund's use of leverage as set forth in the Fund's investment management agreement between Nuveen Fund Advisors and the Fund (the Investment Management Agreement). Nuveen Fund Advisors will be responsible for using leverage to pursue the Fund's investment objective, and will base its decision regarding whether and how much leverage to use for the Fund based on its assessment of whether such use of leverage will advance the Fund's investment objective. However, a decision to increase the Fund's leverage will have the effect, all other things being equal, of increasing Managed Assets and therefore Nuveen Fund Advisors' and Symphony's fees. Thus, Nuveen Fund Advisors and Symphony may have a conflict of interest in determining whether to increase the Fund's use of leverage. Nuveen Fund Advisors will seek to manage that potential conflict by only increasing the Fund's use of leverage when it determines that such increase is in the best interest of the Fund and is consistent with the Fund's investment objective, and by periodically reviewing the Fund's performance and use of leverage with the Board of Trustees.

**Unlisted Shares**

The Term Preferred Shares will not be listed or traded on any securities exchange.

**Redemption and Paying Agent**

The Fund has entered into an amendment to its Transfer Agency and Service Agreement with State Street Bank and Trust Company, Canton, Massachusetts (the Redemption and Paying Agent) for the purpose of causing the Fund's transfer agent and registrar to serve as transfer agent and registrar, dividend disbursing agent, and redemption and paying agent with respect to Term Preferred Shares. State Street has subcontracted the transfer agency servicing and dividend disbursing and redemption and paying agency servicing of the Fund to Computershare Inc.

**Special Risk Considerations**

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

**Risks of Investing in Term Preferred Shares**

*Subordination Risk.* While holders of Term Preferred Shares will have equal liquidation and distribution rights to the VRTP Shares and any other Preferred Shares that might be issued by the Fund, they will be subordinated to the rights of holders of senior indebtedness of the Fund, including the Credit Agreement or any other credit agreement

in effect on such date. Therefore, dividends, distributions, payments in redemption and other payments to holders of Term Preferred Shares (i) may be blocked by the terms of the Credit Agreement or any other credit agreement in effect on such date and (ii) may be subject to prior payments due to the holders of senior indebtedness. The Fund also has the right to augment or replace the Credit Agreement with a new credit agreement in the future, and any such augmented or replacement credit agreement may contain terms that are materially different than the terms contained in the existing Credit Agreement, including terms that limit payments to holders of Term Preferred Shares.

In addition, the 1940 Act may provide debt holders with voting rights that are superior to the voting rights of Preferred Shares holders, including holders of Term Preferred Shares. The rights of lenders, including Citibank, creditors and counterparties of the Fund will also be senior to those of holders of Term Preferred Shares.

*Capital Structure Risk.* As noted above, the Fund has entered into the Credit Agreement, and has an outstanding balance. The rights of lenders, such as Citibank, to receive payments of interest on and repayments of principal of any borrowings are senior to the rights of the Fund's equity holders, such as holders of Term Preferred Shares and Common Shares, with respect to the payment of dividends and other distributions, and upon liquidation. The Fund may not be permitted to declare dividends and other distributions with respect to Preferred Shares, including the Term Preferred Shares, and Common Shares or redeem Term Preferred Shares unless at such time, the Fund meets certain asset coverage requirements and no event of default or other circumstance exists under the Credit Agreement (or any other credit agreement in effect as of such date) that would limit or otherwise block payments in redemption.

*Interest Rate Risk Term Preferred Shares.* Term Preferred Shares pay dividends at the Dividend Rate (as described in Dividend Rate above). The Dividend Rate will be adjusted periodically in accordance with the Statement and as disclosed in a prospectus supplement, but will not in any event be lower than the initial Dividend Rate. Prices of fixed income investments vary inversely with changes in market yields. The market yields on securities comparable to Term Preferred Shares may increase, which would likely result in a decline in the secondary market price of Term Preferred Shares prior to the term redemption date.

*Unlisted Shares Risk.* Because the Fund has no prior trading history for Preferred Shares, it is difficult to predict the trading patterns of Term Preferred Shares, including the effective costs of trading Term Preferred Shares. Moreover, Term Preferred Shares will not be listed on a stock exchange. Thus, an investment in Term Preferred Shares may be illiquid and there may be no active trading market.

*Ratings Risk.* The Fund expects that, at issuance, the Term Preferred Shares will be rated by at least one Rating Agency designated by the Board of Trustees, and that such rating will be a requirement of issuance of such Shares by the underwriter pursuant to an underwriting agreement. There can be no assurance that the Term Preferred Shares will receive any particular rating from a Rating Agency, or that any such ratings will be maintained at the level originally assigned through the term of the Term Preferred Shares. In the event that one or more Rating Agency does not issue a rating on the Term Preferred Shares at all or at the minimum level required, the issuance and sale of Term Preferred Shares in this offering may not be completed. Ratings do not eliminate or mitigate the risks of investing in Term Preferred Shares. A rating issued by a Rating Agency is only the opinion of the entity issuing the rating at that time, and is not a guarantee as to quality, or an assurance of the future performance, of the rated security (in this case, Term Preferred Shares). In addition, the manner in which the Rating Agency obtains and processes information about a particular security may affect the Rating Agency's ability to timely react to changes in an issuer's circumstances (in this case, the Fund) that could influence a particular rating. A Rating Agency could downgrade Term Preferred Shares, which may make Term Preferred Shares less liquid in the secondary market and reduce market prices.

*Early Redemption Risk.* The Fund may voluntarily redeem Term Preferred Shares or may redeem Term Preferred Shares to meet regulatory requirements and satisfy the asset coverage requirements of the Term Preferred Shares. Such redemptions may be at a time that is unfavorable to holders of Term Preferred Shares. The Fund expects to voluntarily redeem Term Preferred Shares before the term redemption date as disclosed in the Prospectus Supplement (the Term Redemption Date) to the extent that market conditions allow the Fund to issue other Preferred Shares or debt securities at a rate that is lower than the then-current Dividend Rate on Term Preferred Shares. For further information, see Description of Term Preferred Shares Redemption and Asset Coverage.

*Tax Risks.* To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, among other things, the Fund must derive in each taxable year at least 90% of its gross income from certain prescribed sources. Additionally, in order to qualify as a regulated investment company, the Fund must meet certain distribution requirements. The failure to pay distributions could result in the Fund ceasing to qualify as a regulated investment company. Nevertheless, the Fund might not distribute all of its net investment income, and the Fund is not required to distribute any portion of its net capital gains. If for any taxable year the Fund does not qualify as a regulated investment company, all of its taxable income (including its net capital gain) would be subject to tax at regular corporate rates without any deduction for distributions to stockholders, and such distributions would be taxable as ordinary dividends to the



extent of the Fund's current and accumulated earnings and profits. The value of Term Preferred Shares may be adversely affected by changes in tax rates and policies.

In addition, the Fund will treat Term Preferred Shares as equity in the Fund for federal income tax purposes. See also the opinion of counsel included as Appendix D to the SAI. If the Term Preferred Shares were treated as debt rather than as equity for such purposes, the timing and character of such income to holders could be affected. See Tax Matters.

*Swap Risk.* Swap agreements are typically over-the-counter, two-party contracts entered into primarily by institutional investors for periods typically ranging from a few weeks to more than one year, where the parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. Interest rate swaps involve the exchange with another party of their respective commitments to pay or receive interest (for example, an exchange of floating rate payments for fixed-rate payments). The use of interest rate swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. There can be no assurance that any interest rate swap entered into by the Fund, including the interest rate swap associated with the Term Preferred Shares, as described above under Swap, will have the intended effect.

*Income Shortfall Risk.* The securities held in the Fund's portfolio generally pay interest based on long-term yields. Long-term, as well as intermediate-term and short-term interest rates may fluctuate. If the interest rates paid on the securities held by the Fund fall below the Dividend Rate, the Fund's ability to pay dividends on Term Preferred Shares could be jeopardized.

*Reinvestment Risk - Term Preferred Shares.* Given the limited term and potential for early redemption of Term Preferred Shares, holders of Term Preferred Shares may face an increased reinvestment risk, which is the risk that the return on an investment purchased with proceeds from the sale or redemption of Term Preferred Shares may be lower than the return previously obtained from an investment in Term Preferred Shares.

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

**Custodian and Transfer Agent**

State Street Bank and Trust Company (State Street or the Custodian) serves as custodian of the Fund's assets, including all foreign assets, transfer agent and Preferred Share redemption and paying agent. See Custodian, Transfer Agent, Dividend Disbursing Agent and Redemption and Paying Agent.

**Governing Law**

The Declaration and the Statement are governed by the laws of the Commonwealth of Massachusetts.

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## FINANCIAL HIGHLIGHTS

The following Financial Highlights table is intended to help a prospective investor understand the Fund's financial performance for the periods shown. Certain information reflects financial results for a single Common Share of the Fund. The total returns in the table represent the rate an investor would have earned or lost on an investment in Common Shares of the Fund (assuming reinvestment of all dividends). The information with respect to the fiscal year ended July 31, 2016 has been audited by KPMG LLP, whose report for the fiscal year ended July 31, 2016, along with the financial statements of the Fund including the Financial Highlights, is included in the Fund's 2016 Annual Report. The information with respect to the fiscal years ended prior to July 31, 2015 has been audited by Ernst & Young LLP, an independent registered public accounting firm. A copy of the Annual Report may be obtained from [www.sec.gov](http://www.sec.gov) or by visiting [www.nuveen.com](http://www.nuveen.com). The information contained in, or that can be accessed through, the Fund's website is not part of this Prospectus. Past results are not indicative of future performance.

The following per share data and ratios have been derived from information provided in the financial statements.

Selected data for a Common Share outstanding throughout the period:

	Year Ended July 31,			
	2016	2015	2014	2013
<b>PER SHARE OPERATING PERFORMANCE</b>				
Beginning Common Share Net Asset Value ( NAV )	\$ 12.05	\$ 12.68	\$ 12.55	\$ 11.84
Investment Operations:				
Net Investment Income (Loss)(a)	0.77	0.79	0.78	0.95
Net Realized/Unrealized Gain (Loss)	(0.75)	(0.66)	0.14	0.68
Distributions from Net Investment Income to Preferred Shareholders(b)				
Distributions from Capital Gains to Preferred Shareholders(b)				
<b>Total</b>	<b>0.02</b>	<b>0.13</b>	<b>0.92</b>	<b>1.63</b>
Less Distributions to Common Shareholders:				
From Net Investment Income	(0.76)	(0.76)	(0.79)	(1.04)
From Accumulated Net Realized Gains				
<b>Total</b>	<b>(0.76)</b>	<b>(0.76)</b>	<b>(0.79)</b>	<b>(1.04)</b>
Common Share:				
Offering Costs			*	(0.01)
Discount from Shares Repurchased and Retired				
Premium Per Share Sold through Shelf Offering			*	0.13
<b>Ending NAV</b>	<b>\$ 11.31</b>	<b>\$ 12.05</b>	<b>\$ 12.68</b>	<b>\$ 12.55</b>
<b>Ending Share Price</b>	<b>\$ 10.72</b>	<b>\$ 10.82</b>	<b>\$ 12.40</b>	<b>\$ 12.73</b>
Common Share Total Returns:				
Based on NAV(c)	0.53%	1.03%	7.54%	15.27%
Based on Share Price(c)	6.91%	(6.74)%	3.91%	14.42%
<b>RATIOS/SUPPLEMENTAL DATA</b>				
Ending Net Assets Applicable to Common Shares (000)	\$ 435,189	\$ 463,729	\$ 487,784	\$ 482,204
Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(d)				
Expenses	2.49%	2.31%	2.07%	1.71%
Net Investment Income (Loss)(f)	6.91%	6.41%	6.16%	7.73%
Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(d)(e)				
Expenses	N/A	N/A	N/A	N/A
Net Investment Income (Loss)(f)	N/A	N/A	N/A	N/A
Portfolio Turnover Rate(i)	27%	34%	55%	72%

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### AUCTION RATE PREFERRED SHARES AT THE END OF PERIOD

Aggregate Amount Outstanding (000)	\$	\$	\$	\$
Liquidation and Market Value Per Share	\$	\$	\$	\$
Asset Coverage Per Share	\$	\$	\$	\$

### BORROWINGS AT THE END OF PERIOD

Aggregate Amount Outstanding (000)	\$ 166,800	\$ 188,800	\$ 188,000	\$ 201,900
Asset Coverage Per \$1,000(g)	\$ 2,800	\$ 2,617	\$ 2,706	\$ 3,388

### VRTP SHARES AT THE END OF PERIOD

Aggregate Amount Outstanding (000)	\$ 75,000	\$ 98,000	\$ 98,000	\$
Asset Coverage Per \$1,000 Share	\$ 279,979	\$ 261,691	\$ 270,554	\$

### BORROWINGS VRTP SHARES AND/OR TERM PREFERRED AT THE END OF PERIOD

Asset Coverage Per \$1 Liquidation Preference	\$ 2.80	\$ 2.62	\$ 2.71	\$
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- (a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.
- (b) The amounts shown are based on Common share equivalents.
- (c) 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 Prices 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 takes 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.
- (d) Ratios do not reflect the effect of dividend payments to Preferred shareholders, where applicable.  
 Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Preferred shares and/or borrowings, where applicable.  
 Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.  
 Each ratio includes the effect of all interest expense paid and other costs related to borrowings, where applicable, as follows:

	Year Ended July 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Ratios of Interest Expense to Average Net Assets Applicable to Common Shares(h)	1.08%	0.89%	0.71%	0.46%	0.47%	0.49%	0.86%	1.65%	0.35%	

- (e) After expense reimbursement from the Adviser, where applicable. As of July 31, 2012, the Adviser is no longer reimbursing the Fund for any fees or expenses.

Year Ended July 31,

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 11.96	\$ 11.34	\$ 9.54	\$ 11.75	\$ 13.14	\$ 13.95
1.13	1.12	1.01	0.73	1.41	1.62
(0.26)	0.22	1.50	(2.15)	(1.29)	(0.78)
		*	(0.07)	(0.37)	(0.43)
0.87	1.34	2.51	(1.49)	(0.25)	0.41
(1.01)	(0.79)	(0.71)	(0.72)	(1.14)	(1.22)