Nuveen Preferred Income Opportunities Fund
Form N-CSR
October 08, 2014

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
333 West Wacker Drive
Chicago, IL 60606
(Name and address of agent for service)

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

Date of fiscal year end: July 31

Date of reporting period: July 31, 2014

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 Investments

Closed-End Funds

Annual Report July 31, 2014

JPC

Nuveen Preferred Income Opportunities Fund

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Nuveen Flexible Investment Income Fund

Nuveen Investments to be acquired by TIAA-CREF

On April 14, 2014, TIAA-CREF announced that it had entered into an agreement to acquire Nuveen Investments, the parent company of your fund's investment adviser, Nuveen Fund Advisors, LLC ("NFAL") and the Nuveen affiliates that act as sub-advisers to the majority of the Nuveen Funds. TIAA-CREF is a national financial services organization with approximately $569 billion in assets under management (as of March 31, 2014) and is a leading provider of retirement services in the academic, research, medical and cultural fields. Nuveen anticipates that it will operate as a separate subsidiary within TIAA-CREF's asset management business, and that its current leadership and key investment teams will stay in place.

Your fund investment will not change as a result of Nuveen's change of ownership. You will still own the same fund shares and the underlying value of those shares will not change as a result of the transaction. NFAL and your fund's sub-adviser(s) will continue to manage your fund according to the same objectives and policies as before, and we do not anticipate any significant changes to your fund's operations. Under the securities laws, the consummation of the transaction will result in the automatic termination of the investment management agreements between the funds and NFAL and the investment sub-advisory agreements between NFAL and each fund's sub-adviser(s). The new agreements have been approved by shareholders of your fund.

The transaction is currently expected to close early in the fourth quarter of 2014, but remains subject to customary closing conditions.

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Chairman's Letter

to Shareholders

Dear Shareholders,

After significant growth in 2013, domestic and international equity markets have been less compelling during the first part of 2014. Concerns about deflation, political uncertainty in many places and the potential for more fragile economies to impact other countries have produced uncertainty in the markets.

Europe is beginning to emerge slowly from the recession in mid-2013, with improved GDP and employment trends in some countries. However, Japan's deflationary headwinds have resurfaced; and China shows signs of slowing from credit distress combined with declines in manufacturing and exports. Most recently, tensions between Russia and Ukraine may continue to hold back stocks and support government bonds in the near term.

Despite these headwinds, there are some encouraging signs of forward momentum in the markets. In the U.S., the news is more positive with financial risks slowly receding, positive GDP trends, downward trending unemployment and stronger household finances and corporate spending.

It is in such changeable markets that professional investment management is most important. Investment teams who have experienced challenging markets in the past understand how their asset class can behave in rapidly changing times. Remaining committed to their investment disciplines during these times is a critical component to achieving long-term success. In fact, many strong investment track records are established during challenging periods because experienced investment teams understand that volatile markets place a premium on companies and investment ideas that can weather the short-term volatility. By maintaining appropriate time horizons, diversification and relying on practiced investment teams, we believe that investors can achieve their long-term investment objectives.

As always, I encourage you to communicate with your financial consultant if you have any questions about your investment in a Nuveen Fund. 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.

William J. Schneider
Chairman of the Board
September 22, 2014

Portfolio Managers'

Comments

Nuveen Preferred Income Opportunities Fund (JPC)

Nuveen Preferred and Income Term Fund (JPI)

Nuveen Flexible Investment Income Fund (JPW)

Nuveen Asset Management, LLC (NAM) and NWQ Investment Management Company, LLC (NWQ), 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 and Michael J. Carne, CFA, and Susi Budiman, CFA, are the portfolio managers for the NWQ team.

Effective August 14, 2014 (subsequent to the close of this reporting period), in an effort to broaden investment flexibility, the Fund changed its investment policies providing that up to 5% of the portion of the Fund's portfolio managed by NAM can now be invested in preferred securities issued by companies located in emerging market countries.

The Nuveen Preferred and Income Term Fund (JPI) features management by Nuveen Asset Management, LLC, 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 Flexible Investment Income Fund (JPW) features portfolio management by NWQ Investment Management Company, LLC (NWQ), an affiliate of Nuveen Investments, Inc. Michael J. Carne, CFA, and Susi Budiman, CFA, are the portfolio managers.

Here they discuss the U.S. economy and equity markets, their management strategies and the performance of the Funds for the twelve-month reporting period ended July 31, 2014.

What factors affected the U.S. economy and equity markets during the twelve-month reporting period ended July 31, 2014?

During this reporting period, the U.S. economy continued its advance toward recovery from recession. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. Based on its view that the underlying strength in the broader economy was enough to support ongoing improvement in the labor market, the Fed began to reduce or taper its monthly asset purchases in $10 billion increments over the course of five consecutive meetings (December 2013 through June 2014). As of July 2014, the Fed's monthly purchases comprise $15 billion in mortgage backed securities (versus the original $40 billion per month) and $20 billion in longer-term Treasury securities (versus $45 billion). Following its June 2014 meeting the Fed reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions, saying that it would likely maintain the current target

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.

Ratings shown 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). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Portfolio Managers' Comments (continued)

range for the fed funds rate for a considerable time after the asset purchase program ends, especially if projected inflation continues to run below the Fed's 2% longer-run goal.

In the second quarter of 2014, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew 4.2%. In the previous quarter, GDP contracted at an annualized rate of 2.1%, the economy's weakest quarter since the recession officially ended in June 2009. The decline during this period was attributed in part to the severe weather of the past winter, which deterred consumer spending and disrupted construction, production and shipping. The Consumer Price Index (CPI) rose 2.4% year-over-year as of July 2014, while the core CPI (which excludes food and energy) increased 1.9% during the same period, in line with the Fed's unofficial longer term objective of 2.0% for this inflation measure. As of July 2014, the national unemployment rate remained at 6.2%, down from the 7.3% reported in July 2013, but still higher than levels that would provide consistent support for optimal GDP growth. During the last twelve months, the unemployment rate and the number of unemployed persons have declined by 1.1% and 1.7 million, respectively. The housing market continued to post gains as the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 8.1% for the twelve months ended July 2014.

Several events touched off increased volatility in the financial markets. First, in May 2013, then-Fed Chairman Ben Bernanke's remarks about tapering the Fed's asset purchase program triggered widespread uncertainty about the next step for the Fed's quantitative easing program and its impact on the markets as well as the overall economy. Meanwhile, political debate over federal spending continued, as Congress failed to reach an agreement on the federal budget for Fiscal 2014. On October 1, 2013, the start date for Fiscal 2014, the federal government shut down for 16 days until an interim appropriations bill was signed into law. (Consensus on a $1.1 trillion federal spending bill was ultimately reached in January 2014, and in February 2014, members of Congress agreed to suspend the $16.7 trillion debt ceiling until March 2015.)

Technical factors also helped keep a lid on Treasury rates. An unexpected increase in tax receipts along with a measure of Congressional fiscal restraint (sequestration) have allowed the Treasury Department to report a greatly improved fiscal position. In fact, the Treasury has reported surpluses in the more recent data. These factors have led the supply of U.S. Treasury bills, notes and bonds to fall 30% below last year. Demand has been strong due to buying from the People's Bank of China as well as pension funds.

The yield curve flattened during the reporting period, mostly due to the 10- and 30- Year Treasury yields moving lower while the yield on the 2- Year Treasury note rose 20 basis points and ended the period at 0.53%. The Fed has indicated an October end to its bond buying program and the market has priced a January 2015 rise in the Fed Funds rate.

These issues aside, the market environment during the reporting period proved to be rewarding for those that held their bonds and fixed income mutual fund shares. The 10- year U.S. Treasury returned a healthy 3.5% for the twelve-month reporting period ended July 31, 2014 and credit markets continue to benefit. High Yield bonds returned 8.0% as measured by the BofA/Merrill U.S. Lynch High Yield Master II Index and Investment Grade Corporates returned 7.1% as measured by the BofA/Merrill U.S. Lynch High Yield Master II Index by the for the reporting period. After taking a toll in the second half of 2013 with a -2.7% return, the fixed rate preferred securities market made a huge comeback in 2014 and returned 8.75% as measured by the BofA/Merrill Lynch Preferred Stock Fixed Rate Index for the reporting period.

The $1,000 par dominated Barclays USD Capital Securities Index posted a 10.33% return during the reporting period and the $25 par dominated BofA/Merrill Lynch Preferred Stock Fixed Rate Index posting an 8.75% return.

During the reporting period, relatively subordinate Tier 1 structures once again outperformed more senior Lower Tier 2 structures. The Tier 1 sub-index of the Barclays USD Capital Securities Index posted a return of 12.24%, which was well above the 9.71% return posted by the Lower Tier 2 sub-index. Historically, credit spreads for more subordinate structures, such as Tier 1 securities, tend to move at a greater magnitude than their more senior counterparts. Therefore, in a period when credit spreads generally narrow, as they did during the reporting period, we would expect credit spreads for Tier 1 structures to decline at a greater rate compared to Lower Tier 2 structures. While this was indeed the case, it is likely that the lower duration profile of the Tier 1 sub-index versus the Lower Tier 2 sub-index also contributed to the relative outperformance as investors sought to reduce risk to rising interest rates. As of July 31, 2014, the 5.8 year duration of the Barclays USD Capital Securities Tier 1 Index was approximately 1.2 years shorter than the 7.0 year duration of the Barclays USD Capital Securities Lower Tier 2 Index. The relatively higher proportion of fixed-to-floating rate securities in the Tier 1 sub-index is primarily responsible for the difference in duration between the two sub-indices.

How did the Funds perform during this twelve-month reporting period ended July 31, 2014?

The tables in the Performance Overview and Holding Summaries section of this report provides total return performance for the Funds for the one-year, five-year, ten-year and/or since inception periods ended July 31, 2014. Each Fund's total returns are compared with the performance of a corresponding market index and/or a blended benchmark index. A more detailed account of each Fund's performance is provided later in this report.

What key strategies were used to manage the Funds during this twelve-month reporting period ended July 31, 2014 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, 2014. For the twelve-month reporting period ended July 31, 2014, the Fund's common shares at net asset value (NAV) outperformed the BofA/Merrill Lynch Preferred Stock Fixed Rate Index, but underperformed the JPC Comparative Benchmark.

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 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 unique, multi-team approach gives investors access to a broader investment universe with greater diversification potential.

NAM

For the portion of the Fund managed by NAM, we employed a credit-based investment approach, using a top-down process to analyze various structural dimensions of the preferred securities market, while also incorporating bottom-up fundamental credit research analysis. We start by identifying the investable universe of $1,000 par and $25 par preferred securities. In an effort to capitalize on the inefficiencies between the different structures within the preferred securities market, we allocate 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. This dynamic is often related to periodic differences in how retail and institutional markets perceive and price risk. Technical factors may also influence the relative valuations between $25 par exchange listed structures and $1,000 par over-the-counter structures. While we feel that valuations between the $25 par retail structures and $1,000 par institutional securities had converged meaningfully during the measurement period, we will likely maintain an overweight to $1,000 par securities primarily due to our outlook for gradually higher interest rates. In an effort to position the Fund's portfolio defensively against rising rates, the management team has taken steps to reduce the overall duration of the strategy. We have accomplished the lower duration profile by investing a meaningful amount of the portfolio's assets in fixed-to-floating rate coupon preferreds, which all else being equal have a lower duration profile compared to traditional fixed rate coupon structures. Because historically the fixed-to-floating rate structures have been favored by institutional investors, an inordinate amount of these securities are found on the $1,000 par side of the market. Thus, the Fund's current overweight to $1,000 par securities is more the

Portfolio Managers' Comments (continued)

result of duration management than because of a difference in valuations between $1,000 par and $25 par securities. While we will continue to monitor developments across the domestic and international financial markets, we do not anticipate significantly changing the Fund's positioning unless our outlook for interest rates changes materially, and/or there is a general shift in relative value between $1,000 par and $25 par securities.

We continue to anticipate that the population of "new generation" preferred securities, such as contingent capital securities (otherwise known as CoCos, Additional Tier 1 and enhanced capital notes), will become an ever-increasing presence within the preferred/hybrid security marketplace. New international bank capital standards outlined in Basel III require Tier 1-qualifying securities to contain explicit loss-absorbing features upon the breach of certain predetermined capital thresholds. The three types of loss absorption features are equity conversion, permanent write-down of principal and temporary write-down of principal with the possibility of future write-up to par when/if the issuer is able to grow capital levels back above the Tier 1 threshold trigger. We have participated in select offerings when we believed, as is the case with all our investments, that the return profile is greater than the inherent risks.

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. Below investment grade securities typically are 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. preferred/hybrid securities are often rated four to five notches below an issuer's senior unsecured debt rating. Consequently, most BB-rated preferred/hybrid securities have been issued by an entity with an investment grade senior unsecured credit rating of BBB or higher.

S&P made public its intent to review its methodology for rating preferred/hybrid securities, with the likely result being lower ratings for certain preferred/hybrid structures. While the timing of changes to the methodology remains unknown, we anticipate that the impact to current ratings will likely be modest. And again, given that news of the review has been public for several months, we do not anticipate a material impact to valuations of those securities affected by the review.

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 portfolio by establishing a position in less interest rate sensitive securities, like fixed-to-floating rate coupon structures. However, we also feel that rising interest rates are frequently the result of an improving macro-economic landscape. In this type of environment risk premiums should shrink, reflecting the lower risk profile of the overall market, and as a result credit spreads should narrow. Typically, credit spreads of lower rated securities tend to move at a greater magnitude compared to higher rated structures. We believe therefore, that credit spread compression in the preferred security asset class could help mitigate the impact of rising interest rates, and that the strategy's overweight to lower rated securities could provide even greater protection.

In the portion of the Fund managed by NAM, several variables contributed to the strong relative and absolute performance during the reporting period including an overweight to fixed-to-floating rate coupon structures, an overweight to the $1,000 par side of the market, an overweight to more subordinate Tier 1 structures versus more senior Tier 2 structures, an overweight to lower investment grade and below investment grade securities and finally an overweight to the insurance subsector and corresponding underweight to the bank subsector.

With the $1,000 par dominated Barclays USD Capital Securities Index posting a 10.33% return during the reporting period and the $25 par dominated BofA/Merrill Lynch Preferred Stock Fixed Rate Index posting a 8.75% return, one would have accurately expected the Fund's meaningful overweight to $1,000 par structures to be accretive to performance. Our overweight in the $1,000 par side of the market was heavily concentrated in fixed-to-floating 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. While the 10-year U.S. Treasury rate was essentially unchanged on July 31, 2014 versus a year earlier, the 10-year yield gyrated during that timeframe between a low of 2.44% and a high of 3.03%. With investors generally of the opinion that interest rates were more likely to move higher than lower during the reporting period, relative demand for fixed-to-floating rate coupon structures increased, driving relative valuations higher and helping to push relative outperformance of the $1,000 par side of the market.

During the twelve months ended July 31, 2014, relatively subordinate Tier 1 structures once again outperformed more senior Lower Tier 2 structures. The Tier 1 sub-index of the Barclays USD Capital Securities Index posted a return of 12.24%, which was well above the 9.71% return posted by the Lower Tier 2 sub-index. Historically, credit spreads for more subordinate structures, such as Tier 1 securities, tend to move at a greater magnitude than their more senior counterparts. Therefore, in a period when credit spreads generally narrow, as they did during the most recent twelve month reporting period, we would expect credit spreads for Tier 1 structures to decline at a greater rate compared to Lower Tier 2 structures. While this was indeed the case, it is likely that the lower duration profile of the Tier 1 sub-index versus the Lower Tier 2 sub-index also contributed to the relative outperformance as investors sought to reduce risk to rising interest rates. As of July 31, 2014, the 5.8 year duration of the Barclays USD Capital Securities Tier 1 Index was approximately 1.2 years shorter than the 7.0 year duration of the Barclays USD Capital Securities Lower Tier 2 Index. The relatively higher proportion of fixed-to-floating rate securities in the Tier 1 sub-index is primarily responsible for the difference in duration between the two sub-indexes.

During the reporting period, the Fund maintained an overweight to lower investment grade and below investment grade securities relative to the JPC Blended Index. Similar to the relative behavior between Tier 1 and Tier 2 structures under different market conditions, we generally expect lower investment and below investment grade preferred/hybrid securities to outperform higher rated counterparts in an environment when credit spreads shrink and vice versa during periods when credit spreads widen. Therefore, with credit spreads generally narrowing during the reporting period, the Fund's overweight to lower investment grade and below investment grade securities was accretive to performance on an absolute and relative basis. This was clearly evidenced by the relative performance of the Barclays USD Capital Securities Lower Tier 2 BBB-rated sub-index which posted a 10.55% return for the reporting period, well above the Lower Tier 2 A-rated or better return of 8.71%.

The Fund held a meaningful overweight to the insurance subsector and corresponding underweights to the bank, utility and real estate investment trust (REIT) subsectors. This positioning was intended to capitalize on what is expected to be light or negligible new issue flow out of the insurance subsector. The insurance subsector is generally over-capitalized and not in need of additional capital. As one might expect then, we observed little new issue flow out of the insurance subsector while new issue flow out of the bank sector was fairly robust during the reporting period. This relative supply/demand advantage of the insurance subsector was enough to overcome its longer average duration profile relative to the bank subsector. Indeed, the insurance subsector posted a return of 13.53%, well above the bank subsector's 10.05% return and the REITs subsector return of 9.69% for the reporting period.

NWQ

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 maintaining a sustainable level of income and an overall analysis for downside protection.

Portfolio Managers' Comments (continued)

The portion of the Fund managed by NWQ positively contributed to the Fund's performance. Our security selection in the financial, banking and industrial sectors all positively contributed to performance. While our security selection within the real estate and utility sectors detracted from performance.

MetLife 7.875% 12/15/2067 junior subordinated debt and Arch Capital Group 6.75% Series C preferred stock were our top two contributors for the reporting period. Credit spreads compressed on the junior debt as MetLife's fundamentals remained solid with strong capital levels and conservative leverage. The company also enjoys international growth prospects and earnings/revenue diversification and has recorded solid results in its Americas segment. The flattening of the yield curve during the reporting period where the 30-Year Treasury yield fell to 3.32% at the end of the reporting period helped this 2037 debt. Arch Capital Group posted positive returns as well. The company has benefited from a diversified product portfolio and healthy capital position. Arch Capital's preferred stock rebounded significantly since the end of 2013.

The senior debt of regional telecom provider Frontier Communications Corporation also contributed to performance. The company continues to generate significant free cash flow that provides financial flexibility to shift slowly into next generation access networks. Therefore, while Frontier continues to face a challenging top-line, the bonds remain attractive given the risk/reward potential.

Several positions detracted from performance, including BB&T Corporation 5.625% Series E and National Retail Properties (NNN) 5.7% Series E preferred stocks. BB&T Corporation is one of the largest financial services holding companies in the U.S. Based in Winston-Salem, N.C., the company operates approximately 1,824 financial centers in 12 states and Washington, D.C., and offers a full range of consumer and commercial banking, securities brokerage, asset management, mortgage and insurance products and services. NNN is a REIT that acquires, develops and manages retail properties subject to long-term net leases. While both companies are strong from a credit perspective, the preferred securities suffered significant price declines since the Fed announcement in May 2013 due to their long duration profile.

Lastly, Metro AG ADR detracted from performance. The German global diversified retailer has the largest market share in Germany and is the fifth-largest retailer in the world measured by revenues. We sold the position after events in the Ukraine negatively impacted the company's effort to spin off its Russian subsidiary. Our analyst felt that the spin-off had been pushed off to an indeterminate time and that the stock price may be more subject to possible geopolitical events and the effects of G7 sanctions on Russia, than company fundamentals. Without a clear catalyst, we opted to eliminate the position.

During the reporting period, the Fund also wrote covered call options on common stocks to hedge equity exposure. These options had a negligible impact on performance and expired prior to the close of this reporting period.

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, 2014. For the twelve-month reporting period ended July 31, 2014, the Fund's shares at net asset value (NAV) outperformed both the JPI Blended Benchmark Index and the BofA/Merrill Lynch Preferred Stock Fixed Rate Index.

Several variables contributed to the relative outperformance including an overweight to fixed-to-floating rate coupon structures, an overweight to the $1,000 par side of the market, an overweight to more subordinate Tier 1 structures versus more senior Tier 2 structures, an overweight to lower investment grade and below investment grade securities and finally an overweight to the insurance subsector and corresponding underweight to the bank, utility and real estate investment trust (REIT) subsectors.

We continue to anticipate that the population of "new generation" preferred securities, such as contingent capital securities (otherwise known as CoCos, Additional Tier 1 and enhanced capital notes), will become an ever-increasing presence within the preferred/hybrid security marketplace. New international bank capital standards outlined in Basel III require Tier 1-qualifying securities to contain explicit loss-absorbing features upon the breach of certain predetermined capital thresholds. The three types of loss absorption features are equity conversion, permanent write-down of principle and temporary write-down of principle with the possibility of future write-up to par when/if the issuer is able to grow capital levels back above the Tier 1 threshold trigger. We have participated in select offerings when we believed, as is the case with all our investments, that the return profile is greater than the inherent risks.

With the $1,000 par dominated Barclays USD Capital Securities Index posting a 10.33% return during the reporting period and the $25 par dominated BofA/Merrill Lynch Preferred Stock Fixed Rate Index posting an 8.75% return, one would have accurately expected the Fund's meaningful overweight to $1,000 par structures to result in relative outperformance. Our overweight in the $1,000 par side of the market was heavily concentrated in fixed-to-floating 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. Investor consternation regarding higher interest rates again led to increasing demand for fixed-to-floating rate coupon structures, propelling their valuations higher on a relative basis and helping drive relative outperformance of the $1,000 par side of the market.

During the reporting period, relatively subordinate Tier 1 structures again outperformed more senior Lower Tier 2 structures. The Tier 1 sub-index of the Barclays USD Capital Securities Index posted a return of 12.24%, which was well above the 9.71% return posted by the Lower Tier 2 sub-index. Historically, credit spreads for more subordinate structures, such as Tier 1 securities, tend to move at a greater magnitude than their more senior counterparts. Therefore, in a period when credit spreads generally narrow, as they did during the most recent reporting period, we would expect credit spreads for Tier 1 structures to decrease at a greater rate compared to Lower Tier 2 structures. While this was indeed the case, it is likely that the lower duration profile of the Tier 1 sub-index versus the Lower Tier 2 sub-index also contributed to the relative outperformance. As of July 31, 2014, the 5.8 year duration of the Barclays USD Capital Securities Tier 1 Index was approximately 1.2 years shorter than the 7.0 year duration of the Barclays USD Capital Securities Lower Tier 2 Index. The relatively higher proportion of fixed-to-floating rate securities in the Tier 1 sub-index is primarily responsible for the difference in duration between the two sub-indices.

During the reporting period, the Fund maintained an overweight to lower investment grade and below investment grade securities relative to the JPI Blended Benchmark Index. Similar to the relative behavior between Tier 1 and Tier 2 structures under different market conditions, we generally expect lower investment and below investment grade preferred/hybrid securities to outperform higher rated counterparts in an environment when credit spreads shrink, and vice versa during periods when credit spreads widen. Therefore, with credit spreads generally narrowing during reporting period, the Fund's overweight to lower investment grade and below investment grade securities contributed to its outperformance versus the JPI Blended Benchmark Index. This was clearly evidenced by the relative performance of the Barclays USD Capital Securities Lower Tier 2 BBB-rated sub-index which posted a 10.55% return for the reporting period, meaningfully above the Lower Tier 2 A-rated return of 8.71%.

The Fund again had a meaningful overweight to the insurance subsector of the preferred/hybrid market and corresponding underweight to the bank, utility and REITs subsectors. This positioning was intended to capitalize on what is expected to be light or negligible new issue flow out of the insurance sector over the next several quarters. The insurance subsector is generally over capitalized and not in need of additional capital. As one might expect then, we observed little new issue flow out of the insurance subsector while new issue flow out of the bank subsector was fairly robust during the reporting period. This relative supply/demand advantage of the insurance subsector was enough to overcome its longer average duration profile relative to the bank subsector. The insurance subsector posted a return of 13.53% for the reporting period, well above the bank subsector 10.05% return and the REITs subsector 9.69% return for the same period.

Portfolio Managers' Comments (continued)

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, 2014. For the twelve-month reporting period ended July 31, 2014, the Fund's total return on common share net asset value (NAV) outperformed the BofA/Merrill Lynch Preferred Stock Fixed Rate Index.

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 maintaining a sustainable level of income and an overall analysis for downside protection.

Much of the JPW's relative outperformance may be attributed to security selection and underweight within the banking sector combined with an overweight and security selection within, financial and industrial sectors. Our overweight in the real estate sector detracted for the reporting period.

Several positions contributed to performance including the industrials holdings, Energy Transfer Equity LP (ETP) and Valero Partners Energy LP. ETP is a master limited partnership owning and operating one of the largest and most diversified portfolios of energy assets in the U.S., which currently owns and operates approximately 35,000 miles of natural gas and natural gas liquids pipelines. Valero is also a master limited partnership formed by Valero Energy Corporation to own, operate, develop and acquire crude oil and refined petroleum products pipelines, terminals and other transportation and logistics assets. Shares of both have risen sharply as a result of increased crude oil production in the U.S.

Also contributing to performance was the common stock of Wells Fargo & Company. Wells Fargo & Company is an American multi-national banking and financial services holding company with operations around the world and the fourth largest bank in the U.S. by assets and the largest bank by market capitalization. Wells Fargo continues to execute extremely well despite the softness in the mortgage market. Investors are beginning to view the bank as a multiple product business, including capital markets and wealth management, not just mortgages.

Several positions detracted from performance including securities issued by Metro AG ADR. The German global diversified retailer has the largest market share in Germany and is the fifth-largest retailer in the world measured by revenues. We sold the position after events in the Ukraine negatively impacted the company's effort to spin off its Russian subsidiary. Our analyst felt that the spin-off had been pushed off to an indeterminate time and that the stock price may be more subject to geopolitical events and the effects of G7 sanctions on Russia, than company fundamentals. Without a clear catalyst, we opted to eliminate the position.

CommonWealth REIT also detracted from performance. CommonWealth REIT is a real estate investment trust that primarily owns office properties located throughout the U.S. In April 2013, the company rejected a $2.9 billion buyout offer by shareholders Corvex Management LP and Related Cos. CommonWealth REIT has been trying to avoid a hostile takeover which detracted from performance and negatively impacted the Fund.

Lastly, Key Energy Service, Inc. detracted from performance. The company provides a range of well services to oil companies. The company missed it earnings estimates during the first and second quarter of 2013. As a result, the share price has continued to suffer.

Fund

Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the return 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 and JPI 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. Each Fund's swap contracts detracted modestly from overall Fund performance during this reporting period.

As of July 31, 2014, the Funds' percentages of leverage are shown in the accompanying table.

	JPC	**JPI**	**JPW**
Effective Leverage*	28.00%	27.93%	28.86%
Regulatory Leverage*	28.00%	27.93%	28.86%

* 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' REGULATORY LEVERAGE

Bank Borrowings

The Funds employ regulatory leverage through the use of bank borrowings. As of July 31, 2014, the Funds have outstanding bank borrowings as shown in the accompanying table.

	JPC	**JPI**	**JPW**
Bank Borrowings	$402,500,000	$225,000,000	$30,000,000

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

Common Share

Information

DISTRIBUTION INFORMATION

The following information regarding the Funds' distributions is current as of July 31, 2014. Each Fund's distribution levels may vary over time based on each Fund's investment activities and portfolio investment value changes.

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

	Per Common Share Amounts		
Ex-Dividend Date	**JPC**	**JPI**	**JPW**
August 2013	$ 0.0633	$ 0.1690	$ 0.1260
September	0.0633	0.1690	0.1260
October	0.0633	0.1690	0.1260
November	0.0633	0.1690	0.1260
December	0.0633	0.1690	0.1260
January	0.0633	0.1690	0.1260
February	0.0633	0.1690	0.1260
March	0.0633	0.1580	0.1260
April	0.0633	0.1580	0.1260
May	0.0633	0.1580	0.1260
June	0.0633	0.1580	0.1260
July 2014	0.0633	0.1580	0.1260
Long-Term Capital Gain*		$ 0.0004	
Short-Term Capital Gain*		$ 0.4879	
Current Distribution Rate**	8.13%	8.20%	8.27%

* Distribution paid in December 2013.

** 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.

Each Fund in this report seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its 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 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, 2014, all of the Funds in this report had positive UNII balances for tax purposes. JPI had a positive UNII balance, while JPC and JPW had negative UNII balances for financial reporting purposes.

All monthly dividends paid by the Funds during the fiscal year ended July 31, 2014 were paid from net investment income. In certain future instances, a portion of each Fund's monthly distributions may be paid from sources or comprised of elements other than net investment income, including capital gains and/or a return of capital, and in such a case the shareholders will receive a notice to that effect. The composition and per share amounts of each Fund's monthly

Common Share Information (continued)

dividends for the fiscal year are presented in the Statement of Changes in Net Assets and Financial Highlights, respectively (for reporting purposes) and in Note 6 Income Tax Information within the accompany Notes to Financial Statements (for income tax purposes), later in this report.

JPW'S MANAGED DISTRIBUTION POLICY

JPW's regular monthly distributions are currently being sourced entirely from net investment income. The Fund's current portfolio is predominantly invested in income producing securities the income from which is expected to be the source of distributions. For periods when the Fund is sourcing its monthly distributions solely from net investment income, the Fund will seek to distribute substantially all of its net investment income over time. There are no assurances given to how long the Fund will source distributions entirely from net investment income.

Market conditions may change, causing the portfolio management team at some future time to focus the mix of portfolio investments less to income-oriented securities. This may cause the regular monthly distributions to be sourced fro