

Nuveen Mortgage Opportunity Term Fund  
Form N-CSR  
March 09, 2017

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 811-22329  
Nuveen Mortgage Opportunity Term 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)

Gifford R. Zimmerman

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: December 31

Date of reporting period: December 31, 2016

## Edgar Filing: Nuveen Mortgage Opportunity Term Fund - Form N-CSR

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

**Closed-End Funds**

Nuveen  
**Closed-End Funds**

**Annual Report** December 31, 2016

**JLS**  
Nuveen Mortgage Opportunity Term Fund

**JMT**  
Nuveen Mortgage Opportunity Term Fund 2

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## Chairman's Letter

### to Shareholders

#### Dear Shareholders,

The past year saw a striking shift in the markets' tone. The start of 2016 was beset by China's economic woes, growing recession fears in the U.S. and oil prices sinking to lows not seen in more than a decade. World stock markets plunged, while bonds and other safe-haven assets rallied. But, by the end of the year, optimism had taken root. Economic outlooks were more upbeat, commodity prices stabilized, equity markets rebounded and bonds retreated. Despite the initial shocks of the Brexit referendum in the U.K. and Donald Trump's win in the U.S. presidential election, and the uncertainties posed by the implications of these votes, sentiment continued to swing toward the positive as 2016 ended.

In between the year's turbulent start and exuberant end, markets were soothed by improving economic data out of China, as the government's stimulus measures appeared to be working, and a recovery in the energy and commodity-related sectors. The U.S. Federal Reserve backed off its more aggressive projections from the beginning of the year, only raising the fed funds rate once during the year, in December. The central banks in Europe and Japan maintained their accommodative stances. Global economic growth remained lackluster overall, as the pace of U.S. growth remained consistently mediocre. China appeared to moderate its slowdown and low growth in Europe and Japan persisted.

Will 2017 be the year of accelerating global growth and rising inflation that the markets are expecting? President Trump's business-friendly, pro-growth agenda has been well received by the markets, but the policy details and the timeline have yet to take shape. Furthermore, there could be potential downside risks if "Trumponomics" were to trigger a steeper rise in inflation or a trade war. Outside the U.S., political dynamics in Europe are also in flux this year, with Brexit negotiations ongoing and elections in Germany, France and the Netherlands, and possibly a snap election in Italy.

Given the slate of policy unknowns and the range of possible outcomes, we believe volatility will remain a fixture this year. In this environment, Nuveen remains committed to both managing downside risks and seeking upside potential. If you're concerned about how resilient your investment portfolio might be, we encourage you to talk to your financial advisor. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

William J. Schneider

Chairman of the Board

February 23, 2017

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## Portfolio Manager s

### Comments

Nuveen Mortgage Opportunity Term Fund (JLS)

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

*The investment adviser for both Funds is Nuveen Fund Advisors, LLC (NFA), an affiliate of Nuveen, LLC. NFA is responsible for determining each Fund s overall investment strategy and monitoring the performance of Wellington Management Company LLP (Wellington Management), the sub-adviser for both Funds. Wellington Management is responsible for implementing each Fund s direct investments in mortgage-backed securities and other permitted investments. Michael F. Garrett serves as portfolio manager for these Funds. Here Michael talks about his management strategy and the performance of the Funds for the twelve-month reporting period ended December 31, 2016.*

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

The restrained pace of growth that has defined the U.S. economic recovery since 2009 continued in the twelve-month reporting period. In the four calendar quarters of 2016, growth averaged below 2% (annualized), as measured by real gross domestic product (GDP), which is the value of goods and services produced by the nation s economy less the value of the goods and services used up in production, adjusted for price changes. Weakness was more pronounced in the first half of the reporting period, as GDP growth averaged below 1.5% in the first two quarters. Although a short-term jump in exports contributed to a more robust gain of 3.5% in the third quarter, the drop in exports that followed widened the trade deficit, which dampened economic activity to a 1.9% annualized rate in the last three months of 2016, as reported by the advance estimate of the Bureau of Economic Analysis.

Consumers, whose purchases comprise the largest component of the U.S. economy, benefited from employment growth and firming wages over the twelve-month reporting period. As reported by the Bureau of Labor Statistics, the unemployment rate fell to 4.7% in December 2016 from 5.0% in December 2015 and job gains averaged slightly above 200,000 per month for the past twelve months. Consumer spending surged in the second quarter of 2016, then decelerated somewhat in the second half of the reporting period. Moreover, as the cost of gasoline and rents climbed over 2016, inflation ticked higher. The Consumer Price Index (CPI) rose 2.1% over the twelve-month reporting period ended December 2016 on a seasonally adjusted basis, as reported by the U.S. Bureau of Labor Statistics. The core CPI (which excludes food and energy) increased 2.2% during the same period, slightly above the Federal Reserve s (Fed) unofficial longer term inflation objective of 2.0%.

The housing market was another bright spot in the economy. The S&P CoreLogic Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 5.6% annual gain in November 2016 (most recent data available at the time this report was prepared) (effective July 26, 2016, the S&P/Case-Shiller U.S. National Home Price

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

**For financial recording purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). This treatment of split-rated securities may differ from that used for other purposes as for Fund investment policies. 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.**

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

**Portfolio Manager's Comments** (continued)

Index was renamed the S&P CoreLogic Case-Shiller U.S. National Home Price Index). The 10-City and 20-City Composites reported year-over-year increases of 4.5% and 5.3%, respectively.

Business spending weakened in the first half of 2016 but modestly improved over the remainder of the year. Early in the reporting period, the energy sector's slump, financial market turbulence and a murky outlook on U.S. and global growth weighed on business sentiment and dampened spending. However, business confidence improved in the second half of the year, as oil prices stabilized, recession fears diminished and the election of Donald Trump stoked expectations for new pro-growth fiscal policy.

Given the economy's consistent expansion and the uptick in the inflation rate, the Fed raised one of its main interest rates in December for the second time in a year, to a range of 0.50% to 0.75%. Additionally at its December 2016 meeting, the Fed revised its forecast from two to three increases in 2017, signaling greater confidence in the economy and rising inflation expectations.

Other market-moving events during the reporting period included a spike in volatility in January and February 2016 triggered by deteriorating sentiment about China's economy, another sharp downturn in oil prices and concerns about central bank policy both in the U.S. and around the world. The Brexit referendum in June 2016 also caught investors off guard. In response, U.K. sterling fell to 30-year lows and global equities tumbled while perceived safe-haven assets such as gold, the U.S. dollar and government bonds saw large inflows. However, the markets stabilized fairly quickly post-Brexit vote, buoyed by reassurances from global central banks and a perception that the temporary price rout presented an attractive buying opportunity. Following a relatively calm July and August 2016, volatility resumed in the final months of the reporting period. Investors worried whether central banks were reaching the limits of their effectiveness as global growth continues to stagnate. The health of the European banking sector came into question, renewing concerns about the potential to trigger a wider crisis. Political uncertainty increased leading up to the November U.S. presidential election, and Trump's unexpected win contributed to an initial sell-off across global markets. However, after digesting the shock, U.S. equities rallied strongly and global developed market stocks pared their losses, while emerging markets, fixed income and gold remained lower through the end of the reporting period.

Commercial mortgage-backed securities (CMBS), as measured by the Bloomberg Barclays Commercial Mortgage-Backed Securities (CMBS) Aggregate Index, posted positive absolute returns during the twelve-month reporting period. Spreads on the Bloomberg Barclays CMBS Index ended the period tighter amid an improving economic and constrained supply. Supply in 2016 was down approximately 28% versus 2015, but the fourth quarter marked one of the busiest quarters for private label new issuance in over a year as issuers rushed to bring deals before the new risk retention rules took effect on December 24, 2016. The sector's positive performance was especially impressive following the severe underperformance of mezzanine bonds earlier in the year when lending ground to a halt. Sentiment rebounded during the post-Brexit risk rally and continued following the successful launch of the first risk retention deal. Meanwhile, the legacy CMBS sector continued to rapidly wind down; the legacy sector represented roughly 20% of the outstanding CMBS universe at the end of the reporting period. Collateral performance remained healthy, highlighted by consecutive gains in the Moody's/REAL Commercial Property Price Index after a brief loss early on in the reporting period.

The non-agency residential mortgage-backed securities (RMBS) sector generated strong total returns fueled by solid housing fundamentals, limited supply and investors' search for yield. Performance in the Credit Risk Transfer (CRT) market was particularly strong, with the more subordinated tranches tightening 100-150 basis points year-over-year due in part to a number of rating agency upgrades and positive National Association of Insurance Commissioners (NAIC) designations. Excess returns were positive across the legacy subsectors. Housing market indicators were

supportive of a strengthening sector. Consistent demand for housing coupled with low inventory levels continued to fuel home price gains. The S&P CoreLogic Case Shiller U.S. National Home Price Index climbed back above its pre-crisis peak in 2006.

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**What key strategies were used to manage the Funds during this twelve-month reporting period ended December 31, 2016?**

Both Funds seek to generate total returns by investing in a diverse portfolio of mortgage-backed securities (MBS), consisting primarily of non-agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS). Under normal circumstances, both Funds will invest at least 80% of their managed assets in MBS, primarily non-agency RMBS and CMBS. Both JLS and JMT may be leveraged directly to a maximum effective leverage of 33% of total net asset value. Each Fund has a limited term of ten years from its inception, at which time all of their net assets will be distributed to shareholder of record. JLS' s since inception date is November 25, 2009 and JMT' s since inception date is February 23, 2010.

During the reporting period, Wellington Management maintained a constructive outlook for CMBS, and continued to believe that the non-agency RMBS sector offered better relative value, and positioned the Funds accordingly. The Funds continue to be conservatively positioned within RMBS, with a bias toward higher quality collateral to mitigate against downside risk. The Funds' exposure to credit risk transfer (CRT) securities increased, as that market continues to grow and they find attractive opportunities to invest. They divested some of the legacy holdings, as the loan count and size of the deals declined.

For the RMBS sector, the current economic recovery, demographic mix in U.S., and low inventory levels should continue to support housing demand. Home price appreciation surprised to the upside in 2016, but should moderate next year, trending toward the historical range of 3-4%, which is still constructive in our view. Risks to fundamentals include rising rates, decreasing affordability and reexamination of government-sponsored enterprise (GSE) reform under the new administration.

Net supply has been negative, providing a tailwind for legacy non-agency RMBS, as long term investors hold their positions. The sector' s liquidity has shrunk, although this is felt more when buying than selling. The CRT market has grown and matured which has decreased volatility and increased liquidity. The capital market is filling in as bank balance sheets continue to shrink and demand for RMBS credit remains strong.

We have a constructive outlook on most non-agency RMBS, given the continuing recovery of the U.S. housing market supporting credit and the positive technical tailwinds. Given the recent spread tightening, near term return potential is primarily driven by income, especially in the legacy non-agency RMBS and Agency CRT sectors where spreads tightened significantly in 2016. Securitizations in non-traditional sectors, such as, non- and re-performing loans and re-securitizations are also attractive opportunities to provide financing on assets historically financed on bank balance sheets.

For the CMBS sector, commercial real estate (CRE) fundamentals are healthy, supported by a growing U.S. economy and the weak building cycles. Rising U.S. rates could have a negative impact on cap rates. However, higher rates accompanied by a stronger economy should allow net operating income (NOI) growth to partially offset the impact. Also, cap rate spreads are wide and may absorb the rate rise. Vacancies are close to historical tight, supply is largely contained and demand is adequate to keep NOI growth positive. Property prices have recovered all of their lost value from the recession but the pace of appreciation is expected to moderate. After several years of deterioration, underwriting standards are showing signs of improvement. There are pockets of softness in oil dependent office geographies, as well as lower-tier retail. Oil related weakness will be a function of the near-term path of oil prices, whereas we anticipate pockets of weakness in retail for the foreseeable future.

CMBS issuance slowed year-over-year, and we anticipate this trend to continue given risk retention requirements. Issuers will continue to experiment with various structures, but regulators have yet to provide final approval and the

cost to originate a CMBS loan has risen. Secondary trading volumes and liquidity have also declined as dealer balance sheets remain limited. Increasing capital burden through uncleared margin requirements have further impacted CMBS

**Portfolio Manager's Comments** (continued)

liquidity, especially in the more subordinated tranches. Non-U.S. investors have continued to invest in CRE since it provides yield, safety and diversification. However, the strength of the U.S. dollar is a potential headwind as it will make U.S. property more expensive for foreign buyers.

**How did the Funds perform during this twelve-month reporting period ended December 31, 2016?**

The tables in the Performance Overview and Holding Summaries section of this report provide total returns for the one-year, five-year and since inception periods ended December 31, 2016. Each Fund's total returns at net asset value (NAV) are compared with the performance of a corresponding market index. For the twelve-month reporting period, JLS and JMT both outperformed the Bloomberg Barclays U.S. Aggregate Bond Index. This index reflects the general performance of the bond market, but not the specific MBS market in which the Funds primarily invest. The total returns for the Funds were positive, as the broader securitized sectors generated positive returns for the twelve-month reporting period.

Within the Funds, returns for the reporting period were positive across the broad sectors. The primary contributor to the Funds' returns was the allocation to residential credit, particularly CRT and pre-crisis CMBS sectors. Within CRT, holdings in multi-family CMBS added to performance, especially across holdings of the more subordinated tranches. An allocation to CMBS also positively impacted performance during the reporting period across subordinated agencies, legacy and post-crisis. Within conduit CMBS, subordinated holdings across both legacy and post-crisis were additive.

Our approach to sector allocation has remained consistent since the Funds' launch. Both Funds seek to generate total returns by investing in a diverse portfolio of MBS consisting primarily of non-agency RMBS and CMBS. While we are constructive on CMBS in the near term, we continue to favor residential credit from a relative value perspective and have a bias to the higher quality collateral types within each sector. With an emphasis on the long-term, we continued to focus on finding opportunities to add securities we feel were best positioned to provide stability of principal and attractive income over the duration of the Funds' limited terms.

The only subsector which detracted from performance was agency interest only (IO) bonds, as rates rallied over the first half of the reporting period. Specifically, the holdings in GNMA interest only bonds were negatively impacted as interest rates fell and prepayment speeds increased over the first half of the reporting period. There were select bonds which underperformed, but all other major strategies posted a positive total return. The Funds also utilized short-term U.S. treasury futures contracts to hedge against increases in interest rates and these positions had a negligible impact on performance during the reporting period.

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

One important factor impacting the return of the Funds relative to their comparative 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 shareholders. However, use of leverage also can expose shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on NAV and total return is magnified by the use of leverage. Conversely, leverage may enhance returns during periods when the prices of securities held by a Fund generally are rising. Leverage had a positive effect on performance during the current reporting period.

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

	<b>JLS</b>	<b>JMT</b>
Effective Leverage*	27.02%	28.20%
Regulatory Leverage*	27.02%	28.20%

\*Effective leverage is a 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 a Fund. A Fund, however, may from time to time borrow on a typically transient basis in connection with its day-to-day operations, primarily in connection with the need to settle portfolio trades. Such incidental borrowings are excluded from the calculation of a Fund's effective leverage ratio. Both of these are part of a Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

**THE FUNDS' REGULATORY LEVERAGE***Bank Borrowings*

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

Fund	Current Reporting Period				Subsequent to the Close of the Reporting Period			
	January 1, 2016	Drawdown	Paydown	December 31, 2016	Average Balance Outstanding	Drawdown	Paydown	February 27, 2017
JLS	\$ 147,200,000	\$	\$	\$ 147,200,000	\$ 147,200,000	\$	\$	\$ 147,200,000
JMT	\$ 46,200,000	\$	\$	\$ 46,200,000	\$ 46,200,000	\$	\$	\$ 46,200,000

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



**Share****Information****DISTRIBUTION INFORMATION**

The following information regarding the Funds' distributions is as of December 31, 2016, the Funds' fiscal and tax year end, and may differ from previously issued distribution notifications.

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

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

**Data as of December 31, 2016**

Fund	Fiscal YTD Percentage of Distribution				Fiscal YTD Per Share Amounts		
	Net			Investment Distributions	Net		
	Investment Income	Realized Gains	Return of Capital		Investment Income	Realized Gains	Return of Capital
JLS (FYE 12/31)	83.44%	16.56%	0.00%	\$ 1.7102	\$ 1.4270	\$ 0.2832	\$ 0.0000
JMT (FYE 12/31)	85.26%	14.74%	0.00%	\$ 1.6713	\$ 1.4250	\$ 0.2463	\$ 0.0000

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

**Data as of December 31, 2016**

Fund	Inception Date	Latest Monthly	Annualized	Cumulative Fiscal
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		<b>Per Share Distribution</b>	<b>Current Distribution on NAV</b>	<b>1-Year Return on NAV</b>	<b>5-Year Return on NAV</b>	<b>Fiscal YTD Distributions on NAV</b>	<b>YTD Return on NAV</b>
JLS (FYE 12/31)	11/25/2009	\$ 0.1135	5.44%	6.79%	10.71%	5.70%	6.79%
JMT (FYE 12/31)	2/23/2010	\$ 0.1125	5.59%	6.56%	10.91%	5.90%	6.56%

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**SHARE REPURCHASES**

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

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

	<b>JLS</b>	<b>JMT</b>
Shares cumulatively repurchased and retired	0	0
Shares authorized for repurchase	1,590,000	485,000

**OTHER SHARE INFORMATION**

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

	<b>JLS</b>	<b>JMT</b>
NAV	\$ 25.02	\$ 24.14
Share price	\$ 24.07	\$ 23.16
Premium/(Discount) to NAV	(3.80)%	(4.06)%
12-month average premium/(discount) to NAV	(6.40)%	(6.29)%

## Risk

### Considerations

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

#### **Nuveen Mortgage Opportunity Term Fund (JLS)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. Investing in **mortgage-backed securities** entails credit risk, the risk that the servicer fails to perform its duties, liquidity risks, interest rate risks, structure risks, pre-payment risk, and geographical concentration risks. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations including the Fund's **limited term** are described in more detail on the Fund's web page at [www.nuveen.com/JLS](http://www.nuveen.com/JLS).

#### **Nuveen Mortgage Opportunity Term Fund 2 (JMT)**

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. Investing in **mortgage-backed securities** entails credit risk, the risk that the servicer fails to perform its duties, liquidity risks, interest rate risks, structure risks, pre-payment risk, and geographical concentration risks. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations including the Fund's **limited term** are described in more detail on the Fund's web page at [www.nuveen.com/JMT](http://www.nuveen.com/JMT).

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**JLS****Nuveen Mortgage Opportunity Term Fund****Performance Overview and Holding Summaries as of December 31, 2016**

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

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

	<b>Average Annual</b>		
	<b>1-Year</b>	<b>5-Year</b>	<b>Since Inception</b>
JLS at NAV	6.79%	10.71%	8.61%
JLS at Share Price	13.97%	12.02%	7.77%
Bloomberg Barclays U.S. Aggregate Bond Index	2.65%	2.23%	3.39%

Since inception returns are from 11/25/09. Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Share Price Performance Weekly Closing Price**

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

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

### Fund Allocation

(% of net assets)

Mortgage-Backed Securities	133.4%
Repurchase Agreements	3.5%
Other Assets Less Liabilities	0.1%
<b>Net Assets Plus Borrowings</b>	<b>137.0%</b>
Borrowings	(37.0)%
<b>Net Assets</b>	<b>100%</b>
<b>Credit Quality</b>	

(% of total long-term investments)

AAA/U.S. Guaranteed	2.5%
AA	0.8%
A	5.5%
BBB	19.2%
BB or Lower	61.4%
N/R (not rated)	10.6%
<b>Total</b>	<b>100%</b>

**JMT****Nuveen Mortgage Opportunity Term Fund 2****Performance Overview and Holding Summaries as of December 31, 2016**

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

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

	<b>Average Annual</b>		
	<b>1-Year</b>	<b>5-Year</b>	<b>Since Inception</b>
JMT at NAV	6.56%	10.91%	8.57%
JMT at Share Price	11.83%	12.04%	7.72%
Bloomberg Barclays U.S. Aggregate Bond Index	2.65%	2.23%	3.48%

Since inception returns are from 2/23/10. Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

**Share Price Performance Weekly Closing Price**



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

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

### Fund Allocation

(% of net assets)

Mortgage-Backed Securities	135.1%
Repurchase Agreements	4.2%
Other Assets Less Liabilities	0.0%
<b>Net Assets Plus Borrowings</b>	<b>139.3%</b>
Borrowings	(39.3)%
<b>Net Assets</b>	<b>100%</b>
<b>Credit Quality</b>	

(% of total long-term investments)

AAA/U.S. Guaranteed	3.2%
AA	0.8%
A	5.7%
BBB	19.1%
BB or Lower	60.0%
N/R (not rated)	11.2%
<b>Total</b>	<b>100%</b>

**Report of**

**Independent Registered Public Accounting Firm**

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

**Nuveen Mortgage Opportunity Term Fund and**

**Nuveen Mortgage Opportunity Term Fund 2:**

In our opinion, the accompanying statements of assets and liabilities, including the portfolios of investments, and the related statements of operations, of changes in net assets and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Nuveen Mortgage Opportunity Term Fund and Nuveen Mortgage Opportunity Term Fund 2 (hereafter referred to as the Funds ) as of December 31, 2016, the results of each of their operations and each of their cash flows for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Funds management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of December 31, 2016 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, IL

February 27, 2017

JLS

**Nuveen Mortgage Opportunity Term Fund**  
**Portfolio of Investments**

December 31, 2016

<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
<b>(000)</b>					
<b>LONG-TERM INVESTMENTS 133.4% (97.5% of Total Investments)</b>					
<b>MORTGAGE-BACKED SECURITIES 133.4% (97.5% of Total Investments)</b>					
<b>Residential 133.4%</b>					
\$ 3,588	Angel Oak Mortgage Trust, Series 2016-1, 144A	3.500%	7/25/46	N/R	\$ 3,565,973
6,500	Argent Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-W2	1.261%	10/25/35	BB	5,513,650
2,590	Atlas Senior Loan Fund Ltd, Series 2012 -2A, 144A	4.939%	1/30/24	BBB	2,552,562
2,650	Babson CLO Limited, Series 2012-2A, 144A	4.506%	5/15/23	BBB	2,644,287
1,950	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	1,688,080
3,125	Banc of America Merrill Lynch Large Loan Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-200P, 144A	3.596%	4/14/33	BB	2,842,107
1,867	Banc of America Mortgage Securities Inc, Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	1,689,114
2,020	Bank of America Commercial Mortgage Inc. , Commercial Mortgage Pass-Through Certificates, Series 2006-1	5.619%	9/10/45	Baa1	2,016,840
554	Bank of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2007-C	3.172%	5/20/36	Caa2	523,718
5,372	Bank of America Funding Trust, 2007-A 2A1	0.937%	2/20/47	CCC	4,703,561
3,829	Bayview Opportunity Master Fund Trust, 2016-CRT1, 144A	2.526%	10/27/27	A	3,822,477
3,225	BB UBS Trust, Series 2012-SHOW, 144A	4.026%	11/05/36	Baa1	3,122,506
6,453	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2006-AA2	0.941%	1/25/37	Caa3	5,318,701
5,268	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007 AA1 2A1	0.951%	3/25/37	Caa3	4,888,557
2,086	Bear Stearns Adjustable Rate Mortgage Trust 2005-3	3.233%	6/25/35	Caa2	1,955,089
3,337	Bear Stearns Adjustable Rate Mortgage	3.176%	10/25/36	D	2,887,254

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Trust, Mortgage Pass-Through Certificate  
Series 2006-4

4,441	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate Series 2006-4	4.635%	6/25/47	D	4,052,479
1,133	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	3.175%	2/25/36	Caa3	948,562
4,365	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	3.077%	2/25/36	Caa3	3,991,066
2,646	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	3.363%	2/25/47	D	2,195,498
4,511	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	3.200%	8/25/46	Ca	3,448,629
6,490	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5	1.251%	10/25/35	BB	5,967,267
4,594	Carrington Securities LP, Mortgage Loan Trust Asset-Backed Pass-Through Certificates Series 2007-HE1	0.921%	6/25/37	Caa1	4,254,429
1,955	CDGJ Commercial Mortgage Trust, Mortgage Pass-Through Certificates, Series 2014-BXCH, 144A	5.017%	12/15/27	BB	1,963,071
4,424	Chaseflex Trust Series 2007-2	1.051%	5/25/37	CCC	3,960,269
975	CIFC Funding Limited, Series 2012-2A, 144A	4.592%	12/05/24	BBB	974,982
885	CIFC Funding Limited, Series 2012-3A, 144A	5.039%	1/29/25	BBB+	884,973
2,100	CIFC Funding Limited, Series 2014-3A, 144A	4.443%	7/22/26	Baa3	1,993,412
730	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-GC29, 144A	3.110%	4/10/48	BBB	502,909
932	Citigroup Mortgage Loan Inc., Mortgage Pass-Through Certificates, Series 2006-AR2	3.218%	3/25/36	Caa3	820,535
953	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2005-3	3.254%	8/25/35	Caa2	831,354
5,675	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR1	0.991%	1/25/37	CCC	3,899,046
1,141	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR8	3.161%	7/25/37	Caa3	1,020,563
1,718	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	3.109%	11/25/36	D	1,306,840

**JLS Nuveen Mortgage Opportunity Term Fund**  
**Portfolio of Investments (continued)**

December 31, 2016

<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
<b>Residential (continued)</b>					
\$ 2,589	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	3.206%	11/25/36	D	\$ 2,178,602
315	Commercial Mortgage Pass-Through Certificates 2012-CR3, 144A	4.770%	10/15/45	A	315,356
3,820	Commercial Mortgage Pass-Through Certificates Series 2012-CR4, 144A	4.571%	10/15/45	BBB	3,576,092
1,130	Core Industrial Trust, Series 2015-CALW, 144A	3.850%	2/10/34	B	1,062,366
488	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-6CB	5.750%	5/25/36	Ca	360,695
4,112	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-19	6.000%	8/25/37	D	3,226,023
1,599	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-3T1	6.000%	4/25/37	Ca	1,127,137
4,525	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY7C A1	0.911%	8/25/37	Caa2	3,694,508
1,813	Countrywide CHL Mortgage Pass-Through Trust 2006-HYB1	3.176%	3/20/36	Caa3	1,534,216
981	Countrywide CHL Mortgage Pass-Through Trust Series 2005-HY10	3.499%	2/20/36	Caa2	816,083
3,618	Countrywide Home Loans Mortgage Pass-Through Certificates, Series 2005-HYB7	2.991%	11/20/35	Caa3	3,028,330
4,742	Countrywide Home Loans Mortgage Pass- Through Trust, Series 2007-HY1 1A1	3.034%	4/25/37	D	4,445,234
3,278	Credit Suisse Adjustable Rate Mortgage Trust 2005-9	1.041%	11/25/35	BBB+	3,030,348
702	Credit Suisse Adjustable Rate Mortgage Trust 2007-2	0.981%	6/25/37	Caa2	656,007
2,636	Credit Suisse First Boston Mortgage Acceptance Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2005-12	3.351%	3/25/36	Caa3	2,089,576
840	Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate	3.228%	5/25/36	D	776,188

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Mortgage-Backed Pass-Through  
Certificates, Series 2006-2

2,100	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C1, 144A	3.800%	4/15/50	BBB	1,713,562
4,700	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C3	3.360%	8/15/48	BBB	3,479,961
515	Fannie Mae Connecticut Avenue Securities , Series 2016-C03	13.521%	10/25/28	N/R	663,335
3,297	Fannie Mae, Conecticut Ave Securities, Series 2015-C04	6.471%	4/25/28	N/R	3,652,188
1,973	Fannie Mae, Connecticut Avenue Securities, Series 2016-C04	5.021%	1/25/29	B1	2,045,665
830	Fannie Mae, Connecticut Avenue Securities, Series 2016-C04	2.221%	1/25/29	Baa3	835,026
1,900	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03	5.771%	7/25/25	N/R	2,048,261
1,240	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03	5.771%	7/25/25	N/R	1,331,641
3,627	Fannie Mae, Connecticut Avenue Securities, Series 2016-C02	6.771%	9/25/28	B1	4,054,125
2,455	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05	11.521%	1/25/29	N/R	2,798,021
4,734	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05	5.221%	1/25/29	B	4,922,520
1,530	Fannie Mae, Connecticut Avenue Securities, Series 2016-C06	10.021%	4/25/29	N/R	1,579,997
1,950	Fannie Mae, Connecticut Avenue Securities, Series 2016-C07	10.271%	4/25/29	N/R	2,020,051
2,530	Fannie Mae, Connecticut Avenue Securities, Series 2016-C07	5.121%	4/25/29	B	2,602,271
2,271	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	1,842,004
2,055	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	1,667,452
2,865	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates Series 2005-A7	2.885%	9/25/35	Caa2	2,526,440
2,708	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates, Series 2006-AA2	2.850%	5/25/36	Ca	2,170,258
1,581	First Horizon Mortgage Pass-Through Trust, Mortgage Pass-Through Certificate Series 2007-AR2	2.996%	8/25/37	D	1,254,157
7,310	Freddie Mac Collateralized Mortgage REMIC Series 4338, (I/O)	2.490%	6/25/42	Aaa	1,019,687

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4,045	Freddie Mac Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series K720, 144A	3.389%	7/25/22	Ba2	3,483,651
5,400	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K701, (I/O)	2.108%	7/25/48	Aaa	91,596
3,175	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, 144A	3.952%	8/25/47	Baa3	3,129,046
2,000	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.126%	2/25/46	Baa2	1,970,423

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<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
<b>Residential (continued)</b>					
\$ 3,160	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K44, 144A	3.684%	1/25/48	BBB	\$ 2,613,055
1,220	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K45, 144A	3.591%	4/25/48	BBB+	1,179,608
250	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K45, 144A	3.591%	4/25/48	BBB	203,504
1,795	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K49, 144A	3.721%	10/25/48	BBB+	1,707,174
1,295	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K714, 144A	3.849%	1/25/47	Baa3	1,251,792
990	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K54, 144A	3.835%	7/25/49	A	974,543
1,850	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K54, 144A	4.051%	2/25/26	BBB+	1,797,568
1,299	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K56, 144A	3.936%	6/25/49	BBB	1,028,190
1,070	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K60, 144A	3.537%	12/25/49	BBB	852,505
2,600	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K50, 144A	3.779%	10/25/48	BBB	2,138,291
810	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K59, 144A	3.575%	11/25/49	A	726,846
17,405	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.751%	11/25/40	Aaa	1,456,604
11,406	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.662%	7/25/41	Aaa	982,528
16,460	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.725%	9/25/41	Aaa	1,510,545
9,800	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.206%	1/25/42	Aaa	1,185,943



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11,060	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K715, (I/O)	2.018%	2/25/41	Aaa	847,091
6,257	Freddie Mac Multifamily Structured Pass-Through Certificates Series KF01, (I/O)	1.969%	7/25/40	Aaa	579,847
1,630	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.814%	1/25/43	Aaa	164,938
13,450	Freddie Mac Multifamily Structures Pass-Through Certificates, Series 2011-K012, (I/O)	2.252%	1/25/41	Aaa	1,110,414
775	Freddie Mac MultiFamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	758,228
4,311	Freddie Mac MultiFamily, Structured Pass-Through Certificates, Series 2015-K46, 144A	3.695%	4/25/48	BBB	3,515,960
15,800	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	Aaa	592,544
4,900	General Electric Capital Commercial Mortgage Corporation, Commercial Mortgage Pass-Through Certificates, Series 2007-C1	5.606%	12/10/49	Ba3	4,902,469
2,920	Ginnie Mae Mortgage Pool, (I/O)	4.000%	9/16/26	Aaa	340,483
15,429	Ginnie Mae Mortgage Pool, (I/O)	3.000%	12/16/27	Aaa	1,415,450
2,639	GMAC Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AR5	3.517%	9/19/35	CCC	2,288,035
2,809	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AF2	6.000%	12/25/35	D	2,437,753
2,588	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	3.609%	4/19/36	Caa3	2,304,702
4,762	Goldman Sachs GSAA Home Equity Trust, Series 2007-8	1.221%	8/25/37	B3	4,388,500
301	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1	3.420%	3/25/47	D	271,523
3,083	Goldman Sachs Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1 2A4	3.530%	1/25/36	D	2,848,394
4,115	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2014-GC20, 144A	4.867%	4/10/47	BBB	2,849,147
1,710	Goldman Sachs Mortgage Securities Trust, Series 2014-GC18	4.945%	1/10/47	A3	1,709,639
1,329	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	Aaa	169,201



**JLS Nuveen Mortgage Opportunity Term Fund**  
**Portfolio of Investments (continued)**

December 31, 2016

<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential (continued)</b>				
\$ 970	Green Tree Agency Funding Trust, Manufactured Housing Contract Pass-Through Certificates, Series 2016-T1, 144A	2.380%	10/15/48	AAA	\$ 962,114
3,035	GSR Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-AR2	3.304%	5/25/37	D	2,468,072
4,049	HarborView Mortgage Loan Trust 2006-12	1.009%	12/19/36	Ca	3,125,916
4,075	Hilton USA Trust, Commercial Mortgage Pass-Through Certificates, Series 2013-HLT, 144A	4.602%	11/05/30	AA	4,080,330
5,020	HomeBanc Mortgage Trust, Mortgage Backed Notes 2005-5	1.031%	1/25/36	Caa1	4,416,202
3,511	HomeBanc Mortgage Trust, Mortgage Backed Notes 2006-2	0.951%	12/25/36	B3	3,106,722
1,180	Honor Automobile Trust, Series 2016-1A, 144A	5.760%	4/15/21	BBB	1,177,665
1,680	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	4.338%	7/25/37	Caa2	1,432,562
3,313	IndyMac INDX Mortgage Loan Trust, Series 07-AR5	3.184%	5/25/37	Ca	2,655,087
3,557	IndyMac INDX Mortgage Loan Trust, Series 2005-AR11	3.154%	8/25/35	Caa3	2,927,591
464	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	2.984%	11/25/35	Caa3	403,592
720	IndyMac INDX Mortgage Loan Trust, Series 2006-AR11	3.314%	6/25/36	Ca	584,064
1,464	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.981%	7/25/36	Caa3	1,217,923
2,308	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.891%	7/25/36	Caa3	1,900,890
2,336	IndyMac INDX Mortgage Loan Trust, Series 2006-AR39	0.951%	2/25/37	Caa3	2,031,045
5,952	IndyMac INDX Mortgage Loan Trust, Series 2007-AR7 2A1	2.658%	6/25/37	Ca	4,515,087
1,300	InSite Issuer LLC, Series 2016-1A, 144A	6.414%	11/15/46	BB	1,296,745
1,160	J.P. Morgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	3.251%	6/25/36	Caa2	999,906
3,085		5.960%	12/25/36	Ca	2,697,976

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	JP Morgan Alternative Loan Trust, Mortgage Pass-Through Certificates 2006-S4				
777	JP Morgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A5	6.000%	1/25/37	Caa3	634,646
5,000	JP Morgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates Series 2006-LDP9	5.337%	5/15/47	Ba1	4,929,356
2,765	JP Morgan Chase Commercial Mortgage Security Corporation Trust, Series 2015-JP1	4.743%	1/15/49	A	2,777,611
413	JP Morgan Chase Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-CB17 AM	5.464%	12/12/43	Baa3	412,627
4,200	JP Morgan Mortgage Acquisition Corporation, Asset-Backed Pass-Through Certificates, Series 2007-CH5	1.031%	5/25/37	B1	3,483,611
2,794	JP Morgan Mortgage Acquisition Trust, Series 2006-A6	3.186%	10/25/36	Caa2	2,458,933
1,045	JPMBD Commercial Mortgage Securities Trust, Series 2016-C4, 144A	3.097%	12/15/49	BBB	754,951
4,144	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2015-2, 144A	2.771%	1/01/20	N/R	4,135,349
5,118	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2015-3, 144A	2.780%	3/01/20	N/R	5,111,056
1,824	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2015-4, 144A	2.780%	4/01/20	N/R	1,876,314
2,200	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-3, 144A	2.780%	9/01/21	N/R	2,172,943
3,983	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-4, 144A	2.771%	10/01/21	N/R	3,934,889
2,915	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-5, 144A	2.780%	11/01/21	N/R	2,882,755
1,995	Magnetite CLO Limited, Series 2012-7A, 144A	4.773%	1/15/25	A2	1,994,968
1,215	Marine Park CLO Limited, Series 2012-1A, 144A	4.459%	5/18/23	BBB	1,212,253
2,624	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2	3.250%	8/25/36	Caa2	2,404,405
4,565	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset	3.217%	6/25/37	D	3,801,489

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Backed Notes, Series 2007-3

3,900	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.887%	8/12/49	BB	3,914,366
1,925	Morgan Stanley Bank of America Merrill Lynch Trust, Series 2014-C14, 144A	4.830%	2/15/47	BBB	1,682,785
6,380	Morgan Stanley Capital I Inc., Mortgage Pass-Through Certificates, Series 2006-HE1	1.061%	1/25/36	B1	5,957,307
4,130	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-HQ8	5.460%	3/12/44	Ba1	4,119,782

<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential (continued)</b>				
\$ 2,045	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.334%	10/12/52	Baa1	\$ 1,636,000
1,525	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.334%	10/12/52	Ba1	838,750
4,000	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-IQ14	5.707%	4/15/49	Ba2	3,919,229
3,850	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	B1	3,848,406
2,025	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2008-T29, 144A	6.276%	1/11/43	BB	2,008,521
1,510	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK2, 144A	3.000%	11/15/49	BBB	1,145,998
2,345	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	3.329%	3/25/36	Caa3	1,880,785
507	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-15AR	3.094%	11/25/37	CCC	424,376
3,751	Mortgage IT Trust, Mortgage-Backed Notes, Series 2005-5	1.031%	12/25/35	BB+	3,462,111
679	New Residential Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2016-3A, 144A	3.250%	9/25/56	Aaa	683,815
2,203	Opteum Mortgage Acceptance Corporation, Asset backed Pass Through Certificates, Series 2006-1	1.071%	4/25/36	CCC	1,960,587
4,041	Prestige Auto Receivables Trust, Series 2016-2A, 144A	3.910%	11/15/22	BBB	3,956,945
3,118	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6	0.961%	7/25/36	Caa3	2,561,462
6,676	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA3	1.071%	4/25/36	Ca	4,756,729
4,795	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	4.032%	9/25/35	Caa3	4,032,415
2,779	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	2,527,351

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1,733	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	1,391,881
1,325	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA6	3.642%	5/25/35	Caa3	1,023,027
1,035	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA1	4.246%	1/25/36	Caa3	822,767
3,500	Residential ASset Mortgage Products Inc. Asset Backed Pass-Through Certificates, Series 2005-RS7	1.271%	7/25/35	A	3,293,996
7,295	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass-Through Certificates, Series 2006-NC2	1.061%	2/25/36	A2	6,757,922
2,020	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates Series 2007-SA3	4.290%	7/27/37	D	1,741,201
1,287	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates, Series 2006-SA3	4.224%	9/25/36	D	1,053,728
2,113	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.633%	4/25/37	Caa2	1,802,727
2,260	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.633%	4/25/37	Caa2	1,928,208
1,443	Residential Funding Mortgage Securities Inc. Mortgage Pass-Through Certificates Series 2006-SA2	4.190%	8/25/36	D	1,257,307
3,900	Santander Drive Auto Receivables Trust, Series 2015-5	3.650%	12/15/21	A	3,995,328
780	Seneca Park CLO Limited, Asset Backed Securities, Series 2014-1A, 144A	4.523%	7/17/26	Baa3	754,918
3,918	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.362%	2/20/47	D	3,344,916
1,517	Sofi Consumer Loan Program Trust, Series 2016-3, 144A	3.050%	12/26/25	N/R	1,511,130
4,110	Structured Adjustable Rate Mortgage Loan Pass-Through Trust, Series 2007-6 2A1	0.961%	7/25/37	CCC	3,163,414
3,554	Structured Agency Credit Risk Debt Notes 2014-DN2	2.421%	4/25/24	BBB+	3,582,752
1,143	Structured Agency Credit Risk Debt Notes, Series 2015-DNA1	9.971%	10/25/27	N/R	1,393,943
1,885	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3	10.121%	4/25/28	N/R	2,039,746

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5,890	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3	3.621%	4/25/28	BBB	6,059,981
2,200	Structured Agency Credit Risk Debt Notes, Series 2015-HQ2	2.721%	5/25/25	A3	2,232,860
1,960	Structured Agency Credit Risk Notes, Series 2015-HQA1	9.571%	3/25/28	N/R	2,005,815

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**JLS Nuveen Mortgage Opportunity Term Fund**  
**Portfolio of Investments (continued)**

December 31, 2016

<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential (continued)</b>				
\$ 2,031	Structured Agency Credit Risk Notes, Series 2015-HQA1	3.421%	3/25/28	BBB	\$ 2,071,651
2,418	Structured Agency Credit Risk Notes, Series 2015-HQA2	11.271%	5/25/28	N/R	2,768,945
3,150	Structured Agency Credit Risk Notes, Series 2015-HQA2	5.571%	5/25/28	B	3,390,769
4,775	Structured Agency Credit Risk Notes, Series 2016-DNA1	3.671%	7/25/28	Baa3	4,915,444
4,997	Structured Agency Credit Risk Notes, Series 2016-DNA2	5.421%	10/25/28	B1	5,326,646
4,984	Structured Agency Credit Risk Notes, Series 2016-DNA3	2.771%	12/25/28	BBB	5,030,392
1,785	Structured Agency Credit Risk Notes, Series 2016-DNA4	9.371%	3/25/29	N/R	1,765,535
730	Structured Agency Credit Risk Notes, Series 2016-DNA4	2.071%	3/25/29	BBB	728,612
3,725	Structured Agency Credit Risk Notes, Series 2016-HQA1	7.121%	9/25/28	B	4,282,773
3,790	Structured Agency Credit Risk Notes, Series 2016-HQA2	5.921%	11/25/28	B1	4,125,057
3,283	Structured Agency Credit Risk Notes, Series 2016-HQA2	3.021%	11/25/28	Baa3	3,350,425
2,500	Structured Agency Credit Risk Notes, Series 2016-HQA3	9.771%	3/25/29	N/R	2,499,986
2,055	Structured Agency Credit Risk Notes, Series 2016-HQA3	4.621%	3/25/29	B+	2,054,997
2,674	Structured Agency Credit Risk Notes, Series 2016-HQA3	2.121%	3/25/29	BBB	2,667,118
2,560	Structured Agency Credit Risk Notes, Series 2016-HQA4	9.521%	4/25/29	N/R	2,510,045
4,260	Structured Agency Credit Risk Notes, Series 2016-HQA4	2.071%	4/25/29	BBB	4,229,359
2,306	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-2	3.044%	4/25/37	D	1,914,386
1,349	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4	3.551%	10/25/37	Caa1	1,236,114
3,922	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.441%	2/25/37	D	3,383,040

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2,315	Voya CLO Limited, Series 2012-3AR, 144A	4.973%	10/15/22	BBB	2,268,397
4,200	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B1	4,238,583
1,366	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.684%	4/15/47	B3	1,330,161
3,650	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.660%	4/15/47	Ba2	3,682,381
3,825	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A	5.291%	10/15/44	B+	3,420,353
1,459	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	2.632%	11/25/36	D	1,293,597
2,882	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17	1.394%	12/25/46	Caa3	2,234,630
2,123	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR	2.468%	1/25/37	D	1,805,220
1,306	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-HY6	2.598%	6/25/37	D	1,205,219
1,402	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-HY1	0.931%	2/25/37	Caa3	1,055,255
1,912	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-5	6.000%	7/25/36	Ca	1,546,165
4,421	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.765%	12/25/36	D	3,773,274
3,243	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.671%	12/25/36	D	2,800,697
2,309	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR7	1.576%	7/25/46	Caa3	1,863,537
930	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates, Series 2007-PA1	6.000%	3/25/37	Caa3	821,212
2,372		3.102%	12/28/37	D	2,067,932

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	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates Series 2007-PA6				
2,950	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-NXS1	4.104%	5/15/48	BBB	2,327,267
735	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK1, 144A	3.000%	8/15/49	BBB	537,394
2,698	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificates, Series 2007-AR8	3.157%	11/25/37	Caa2	2,400,462
3,249	Wells Fargo Mortgage Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	3.152%	12/28/37	Caa3	2,982,130
2,714	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2006-AR10	2.997%	7/25/36	D	2,546,479

<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
<b>(000)</b>	<b>Residential</b> (continued)				
\$ 2,430	Wells Fargo-RBS Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2014-C20, 144A	3.986%	5/15/47	N/R	\$ 1,785,817
\$ 704,932	<b>Total Long-Term Investments (cost \$521,996,048)</b>				530,361,861
<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>		<b>Value</b>
<b>(000)</b>	<b>SHORT-TERM INVESTMENTS</b>	<b>3.5% (2.5% of Total Investments)</b>			
	<b>REPURCHASE AGREEMENTS</b>	<b>3.5% (2.5% of Total Investments)</b>			
\$ 13,836	Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/30/16, repurchase price \$13,836,109, collateralized by \$14,555,000, U.S. Treasury Notes, 1.125%, due 7/31/21, value \$14,113,096	0.030%	1/03/17		\$ 13,836,063
	<b>Total Short-Term Investments (cost \$13,836,063)</b>				<b>13,836,063</b>
	<b>Total Investments (cost \$535,832,111)</b>				<b>544,197,924</b>
	<b>136.9%</b>				
	<b>Borrowings (37.0%) (3), (4)</b>				<b>(147,200,000)</b>
	<b>Other Assets Less Liabilities</b>	<b>0.1%</b>			<b>606,409</b>
	<b>Net Assets</b>	<b>100%</b>			<b>\$ 397,604,333</b>

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

(1) All percentages shown in the Portfolio of Investments are based on net assets.

(2) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below

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BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.

- (3) Borrowings as a percentage of Total Investments is 27.0%.
- (4) The Fund segregates 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings.
- (I/O) Interest only security.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

*See accompanying notes to financial statements.*

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**Nuveen Mortgage Opportunity Term Fund 2**  
**Portfolio of Investments**

December 31, 2016

<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
<b>(000)</b>					
<b>LONG-TERM INVESTMENTS 135.1% (97.0% of Total Investments)</b>					
<b>MORTGAGE-BACKED SECURITIES 135.1% (97.0% of Total Investments)</b>					
<b>Residential 135.1%</b>					
\$ 1,060	Angel Oak Mortgage Trust, Series 2016-1, 144A	3.500%	7/25/46	N/R	\$ 1,053,488
2,000	Argent Securities Inc., ASset-Backed Pass-Through Certificates, Series 2005-W2	1.261%	10/25/35	BB	1,696,508
770	Atlas Senior Loan Fund Ltd, Series 2012 -2A, 144A	4.939%	1/30/24	BBB	758,870
785	Babson CLO Limited, Series 2012-2A, 144A	4.506%	5/15/23	BBB	783,308
593	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	513,763
925	Banc of America Merrill Lynch Large Loan Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-200P, 144A	3.596%	4/14/33	BB	841,264
622	Banc of America Mortgage Securities Inc, Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	563,038
600	Bank of America Commercial Mortgage Inc. , Commercial Mortgage Pass-Through Certificates, Series 2006-1	5.619%	9/10/45	Baa1	599,061
184	Bank of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2007-C	3.172%	5/20/36	Caa2	174,191
1,672	Bank of America Funding Trust, 2007-A 2A1	0.937%	2/20/47	CCC	1,463,764
1,080	Bayview Opportunity Master Fund Trust, 2016-CRT1, 144A	2.526%	10/27/27	A	1,078,135
975	BB UBS Trust, Series 2012-SHOW, 144A	4.026%	11/05/36	Baa1	944,013
1,999	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2006-AA2	0.941%	1/25/37	Caa3	1,647,754
1,638	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007 AA1 2A1	0.951%	3/25/37	Caa3	1,520,138
645	Bear Stearns Adjustable Rate Mortgage Trust 2005-3	3.233%	6/25/35	Caa2	604,101
1,380	Bear Stearns Adjustable Rate Mortgage	3.176%	10/25/36	D	1,194,168

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Trust, Mortgage Pass-Through Certificate  
Series 2006-4

343	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	3.175%	2/25/36	Caa3	287,366
1,337	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	3.077%	2/25/36	Caa3	1,222,598
631	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	3.363%	2/25/47	D	523,437
1,395	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	3.200%	8/25/46	Ca	1,066,586
2,000	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5	1.251%	10/25/35	BB	1,838,911
1,417	Carrington Securities LP, Mortgage Loan Trust Assset-Backed Pass-Through Certificates Series 2007-HE1	0.921%	6/25/37	Caa1	1,312,569
575	CDGJ Commercial Mortgage Trust, Mortgage Pass-Through Certificates, Series 2014-BXCH, 144A	5.017%	12/15/27	BB	577,650
1,371	Chaseflex Trust Series 2007-2	1.051%	5/25/37	CCC	1,227,234
275	CIFC Funding Limited, Series 2012-2A, 144A	4.592%	12/05/24	BBB	274,995
300	CIFC Funding Limited, Series 2012-3A, 144A	5.039%	1/29/25	BBB+	299,991
625	CIFC Funding Limited, Series 2014-3A, 144A	4.443%	7/22/26	Baa3	593,278
210	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-GC29, 144A	3.110%	4/10/48	BBB	144,673
123	Citigroup Mortgage Loan Inc., Mortgage Pass-Through Certificates, Series 2006-AR2	3.218%	3/25/36	Caa3	107,965
147	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2005-3	3.254%	8/25/35	Caa2	128,438
1,765	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR1	0.991%	1/25/37	CCC	1,212,243
371	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR8	3.161%	7/25/37	Caa3	332,192
225	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	3.109%	11/25/36	D	171,134
190	Commercial Mortgage Pass-Through Certificates 2012-CR3, 144A	4.770%	10/15/45	A	190,215
1,180	Commercial Mortgage Pass-Through Certificates Series 2012-CR4, 144A	4.571%	10/15/45	BBB	1,104,657





<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential (continued)</b>				
\$ 350	Core Industrial Trust, Series 2015-CALW, 144A	3.850%	2/10/34	B	\$ 329,052
1,212	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-6CB	5.750%	5/25/36	Ca	895,812
1,278	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-19	6.000%	8/25/37	D	1,002,800
494	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-3T1	6.000%	4/25/37	Ca	348,173
1,390	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY7C A1	0.911%	8/25/37	Caa2	1,134,914
1,501	Countrywide CHL Mortgage Pass-Through Trust 2006-HYB1	3.176%	3/20/36	Caa3	1,270,115
1,123	Countrywide Home Loans Mortgage Pass-Through Certificates, Series 2005-HYB7	2.991%	11/20/35	Caa3	940,322
1,553	Countrywide Home Loans Mortgage Pass-Through Trust, Series 2007-HY1 1A1	3.034%	4/25/37	D	1,455,519
1,072	Countrywide Home Loans, Mortgage Pass-Through Trust Series 2007-HY04	3.121%	9/25/47	D	984,645
1,035	Credit Suisse Adjustable Rate Mortgage Trust 2005-9	1.041%	11/25/35	BBB+	956,791
211	Credit Suisse Adjustable Rate Mortgage Trust 2007-2	0.981%	6/25/37	Caa2	196,802
429	Credit Suisse First Boston Mortgage Acceptance Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2005-12	3.351%	3/25/36	Caa3	340,219
254	Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2006-2	3.228%	5/25/36	D	234,590
620	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C1, 144A	3.800%	4/15/50	BBB	505,909
1,400	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C3	3.360%	8/15/48	BBB	1,036,584
150	Fannie Mae Connecticut Avenue Securities, Series 2016-C03	13.521%	10/25/28	N/R	193,204
977		6.471%	4/25/28	N/R	1,082,198

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	Fannie Mae, Connecticut Ave Securities, Series 2015-C04				
584	Fannie Mae, Connecticut Avenue Securities, Series 2016-C04	5.021%	1/25/29	B1	605,508
244	Fannie Mae, Connecticut Avenue Securities, Series 2016-C04	2.221%	1/25/29	Baa3	245,628
875	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03	5.771%	7/25/25	N/R	943,278
385	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03	5.771%	7/25/25	N/R	413,453
1,074	Fannie Mae, Connecticut Avenue Securities, Series 2016-C02	6.771%	9/25/28	B1	1,200,477
730	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05	11.521%	1/25/29	N/R	831,998
1,393	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05	5.221%	1/25/29	B	1,448,473
450	Fannie Mae, Connecticut Avenue Securities, Series 2016-C06	10.021%	4/25/29	N/R	464,705
575	Fannie Mae, Connecticut Avenue Securities, Series 2016-C07	10.271%	4/25/29	N/R	595,656
755	Fannie Mae, Connecticut Avenue Securities, Series 2016-C07	5.121%	4/25/29	B	776,567
601	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	487,530
1,198	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates Series 2005-A7	2.885%	9/25/35	Caa2	1,056,529
809	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates, Series 2006-AA2	2.850%	5/25/36	Ca	648,259
108	First Horizon Mortgage Pass-Through Trust, Mortgage Pass-Through Certificate Series 2007-AR2	2.996%	8/25/37	D	85,491
2,180	Freddie Mac Collateralized Mortgage REMIC Series 4338, (I/O)	2.490%	6/25/42	Aaa	304,093
1,196	Freddie Mac Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series K720, 144A	3.389%	7/25/22	Ba2	1,030,311
1,175	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, 144A	3.952%	8/25/47	Baa3	1,157,993
600	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.126%	2/25/46	Baa2	591,127
935	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K44, 144A	3.684%	1/25/48	BBB	773,167
360	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through	3.591%	4/25/48	BBB+	348,081

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	Certificates, Series 2015-K45, 144A				
1,065	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K49, 144A	3.721%	10/25/48	BBB+	1,012,742
385	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K714, 144A	3.849%	1/25/47	Baa3	372,154
290	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K54, 144A	3.835%	7/25/49	A	285,472
550	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K54, 144A	4.051%	2/25/26	BBB+	534,412

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**JMT Nuveen Mortgage Opportunity Term Fund 2**  
**Portfolio of Investments (continued)**

December 31, 2016

<b>Principal Amount</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential (continued)</b>				
\$ 384	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K56, 144A	3.936%	6/25/49	BBB	\$ 303,945
315	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K60, 144A	3.537%	12/25/49	BBB	250,971
770	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K50, 144A	3.779%	10/25/48	BBB	633,263
480	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K59, 144A	3.575%	11/25/49	A	430,723
5,375	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.751%	11/25/40	Aaa	449,827
3,521	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.662%	7/25/41	Aaa	303,278
5,015	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.725%	9/25/41	Aaa	460,229
2,775	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.206%	1/25/42	Aaa	335,801
3,305	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K715, (I/O)	2.018%	2/25/41	Aaa	253,132
1,912	Freddie Mac Multifamily Structured Pass-Through Certificates Series KF01, (I/O)	1.969%	7/25/40	Aaa	177,174
1,300	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.814%	1/25/43	Aaa	131,546
4,579	Freddie Mac Multifamily Structures Pass- Through Certificates, Series 2011-K012, (I/O)	2.252%	1/25/41	Aaa	378,014
225	Freddie Mac MultiFamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	220,131
1,290	Freddie Mac MultiFamily, Structured Pass-Through Certificates,	3.695%	4/25/48	BBB	1,052,190

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Series 2015-K46, 144A

4,885	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	Aaa	183,216
1,450	General Electric Capital Commercial Mortgage Corporation, Commercial Mortgage Pass-Through Certificates, Series 2007-C1	5.606%	12/10/49	Ba3	1,450,731
862	Ginnie Mae Mortgage Pool, (I/O)	4.000%	9/16/26	Aaa	100,496
4,572	Ginnie Mae Mortgage Pool, (I/O)	3.000%	12/16/27	Aaa	419,473
864	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AF2	6.000%	12/25/35	D	749,894
774	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	3.609%	4/19/36	Caa3	689,619
1,470	Goldman Sachs GSAA Home Equity Trust, Series 2007-8	1.221%	8/25/37	B3	1,354,975
316	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1	3.420%	3/25/47	D	284,473
1,006	Goldman Sachs Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1 2A4	3.530%	1/25/36	D	929,733
1,130	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2014-GC20, 144A	4.867%	4/10/47	BBB	782,390
525	Goldman Sachs Mortgage Securities Trust, Series 2014-GC18	4.945%	1/10/47	A3	524,889
443	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	Aaa	56,400
290	Green Tree Agency Funding Trust, Manufactured Housing Contract Pass-Through Certificates, Series 2016-T1, 144A	2.380%	10/15/48	AAA	287,642
309	GSR Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-AR2	3.304%	5/25/37	D	251,357
1,227	HarborView Mortgage Loan Trust 2006-12	1.009%	12/19/36	Ca	947,247
1,200	Hilton USA Trust, Commercial Mortgage Pass-Through Certificates, Series 2013-HLT, 144A	4.602%	11/05/30	AA	1,201,570
1,549	HomeBanc Mortgage Trust, Mortgage Backed Notes 2005-5	1.031%	1/25/36	Caa1	1,363,164
1,053	HomeBanc Mortgage Trust, Mortgage Backed Notes 2006-2	0.951%	12/25/36	B3	932,016
628	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	4.338%	7/25/37	Caa2	535,505
991	IndyMac INDX Mortgage Loan Trust, Series 07-AR5	3.184%	5/25/37	Ca	793,789

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1,061	IndyMac INDX Mortgage Loan Trust, Series 2005-AR11	3.154%	8/25/35	Caa3	872,954
1,504	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	2.984%	11/25/35	Caa3	1,308,278
211	IndyMac INDX Mortgage Loan Trust, Series 2006-AR11	3.314%	6/25/36	Ca	171,000
436	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.981%	7/25/36	Caa3	362,357
719	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.891%	7/25/36	Caa3	592,296
696	IndyMac INDX Mortgage Loan Trust, Series 2006-AR39	0.951%	2/25/37	Caa3	604,848
609	IndyMac INDX Mortgage Loan Trust, Series 2006-AR3	2.980%	3/25/36	Ca	476,295
1,860	IndyMac INDX Mortgage Loan Trust, Series 2007-AR7 2A1	2.658%	6/25/37	Ca	1,411,197

<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential (continued)</b>				
\$ 385	InSite Issuer LLC, Series 2016-1A, 144A	6.414%	11/15/46	BB	\$ 384,036
366	J.P. Morgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	3.251%	6/25/36	Caa2	315,645
935	JP Morgan Alternative Loan Trust, Mortgage Pass-Through Certificates 2006-S4	5.960%	12/25/36	Ca	817,568
241	JP Morgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A5	6.000%	1/25/37	Caa3	196,740
1,300	JP Morgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates Series 2006-LDP9	5.337%	5/15/47	Ba1	1,281,632
810	JP Morgan Chase Commercial Mortgage Security Corporation Trust, Series 2015-JP1	4.743%	1/15/49	A	813,694
126	JP Morgan Chase Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-CB17 AM	5.464%	12/12/43	Baa3	125,582
1,250	JP Morgan Mortgage Acquisition Corporation, Asset-Backed Pass-Through Certificates, Series 2007-CH5	1.031%	5/25/37	B1	1,036,789
852	JP Morgan Mortgage Acquisition Trust, Series 2006-A6	3.186%	10/25/36	Caa2	750,183
305	JPMBD Commercial Mortgage Securities Trust, Series 2016-C4, 144A	3.097%	12/15/49	BBB	220,654
1,234	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2015-2, 144A	2.771%	1/01/20	N/R	1,231,043
1,526	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2015-3, 144A	2.780%	3/01/20	N/R	1,524,232
576	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2015-4, 144A	2.780%	4/01/20	N/R	592,520
218	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-3, 144A	2.780%	9/01/21	N/R	214,906
1,178	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-4, 144A	2.771%	10/01/21	N/R	1,163,854

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861	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-5, 144A	2.780%	11/01/21	N/R	851,283
1,161	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2016-6, 144A	2.771%	11/01/21	N/R	1,144,672
550	Magnetite CLO Limited, Series 2012-7A, 144A	4.773%	1/15/25	A2	549,991
360	Marine Park CLO Limited, Series 2012-1A, 144A	4.459%	5/18/23	BBB	359,186
1,145	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2	3.250%	8/25/36	Caa2	1,049,050
1,395	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-3	3.217%	6/25/37	D	1,161,944
1,100	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.887%	8/12/49	BB	1,104,052
575	Morgan Stanley Bank of America Merrill Lynch Trust, Series 2014-C14, 144A	4.830%	2/15/47	BBB	502,650
1,949	Morgan Stanley Capital I Inc., Mortgage Pass-Through Certificates, Series 2006-HE1	1.061%	1/25/36	B1	1,819,856
1,230	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-HQ8	5.460%	3/12/44	Ba1	1,226,957
625	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.334%	10/12/52	Baa1	500,000
440	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.334%	10/12/52	Ba1	242,000
1,200	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-IQ14	5.707%	4/15/49	Ba2	1,175,769
1,150	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	B1	1,149,524
600	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2008-T29, 144A	6.276%	1/11/43	BB	595,117
445	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK2, 144A	3.000%	11/15/49	BBB	337,728
188	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	3.329%	3/25/36	Caa3	150,746
1,385	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-13	6.000%	10/25/37	D	1,162,825



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652	Mortgage Asset Securitization Transactions Inc., Adjustable Rate Mortgage Pass-Through Certificates, Series 2007-HF2	1.081%	9/25/37	B1	590,231
500	Mortgage IT Trust, Mortgage-Backed Notes, Series 2005-5	1.031%	12/25/35	BB+	461,658
203	New Residential Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2016-3A, 144A	3.250%	9/25/56	Aaa	204,328

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**JMT Nuveen Mortgage Opportunity Term Fund 2**  
**Portfolio of Investments (continued)**

December 31, 2016

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
<b>Residential (continued)</b>					
\$ 642	Opteum Mortgage Acceptance Corporation, Asset backed Pass-Through Certificates, Series 2006-1	1.071%	4/25/36	CCC	\$ 571,267
1,196	Prestige Auto Receivables Trust, Series 2016-2A, 144A	3.910%	11/15/22	BBB	1,171,123
970	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6	0.961%	7/25/36	Caa3	796,552
640	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA3	1.071%	4/25/36	Ca	455,927
1,491	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	4.032%	9/25/35	Caa3	1,253,601
858	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	780,020
543	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	435,766
786	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA1	4.246%	1/25/36	Caa3	624,935
950	Residential ASset Mortgage Products Inc. Asset Backed Pass-Through Certificates, Series 2005-RS7	1.271%	7/25/35	A	894,085
2,255	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass-Through Certificates, Series 2006-NC2	1.061%	2/25/36	A2	2,088,981
281	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.633%	4/25/37	Caa2	239,827
1,213	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.633%	4/25/37	Caa2	1,034,614
1,100	Santander Drive Auto Receivables Trust, Series 2015-5	3.650%	12/15/21	A	1,126,888
235	Seneca Park CLO Limited, Asset Backed Securities, Series 2014-1A, 144A	4.523%	7/17/26	Baa3	227,443
1,201	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.362%	2/20/47	D	1,025,180

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1,010	SLM Student Loan Trust, Series 2008-1, Class A1	1.688%	1/25/22	AAA	979,099
449	Sofi Consumer Loan Program Trust, Series 2016-3, 144A	3.050%	12/26/25	N/R	447,564
1,263	Structured Adjustable Rate Mortgage Loan Pass-Through Trust, Series 2007-6 2A1	0.961%	7/25/37	CCC	971,620
1,052	Structured Agency Credit Risk Debt Notes 2014-DN2	2.421%	4/25/24	BBB+	1,060,366
339	Structured Agency Credit Risk Debt Notes, Series 2015-DNA1	9.971%	10/25/27	N/R	413,922
595	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3	10.121%	4/25/28	N/R	643,846
1,700	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3	3.621%	4/25/28	BBB	1,749,061
900	Structured Agency Credit Risk Debt Notes, Series 2015-HQ2	2.721%	5/25/25	A3	913,697
545	Structured Agency Credit Risk Notes, Series 2015-HQA1	9.571%	3/25/28	N/R	557,739
351	Structured Agency Credit Risk Notes, Series 2015-HQA1	3.421%	3/25/28	BBB	358,144
723	Structured Agency Credit Risk Notes, Series 2015-HQA2	11.271%	5/25/28	N/R	827,829
950	Structured Agency Credit Risk Notes, Series 2015-HQA2	5.571%	5/25/28	B	1,022,613
1,425	Structured Agency Credit Risk Notes, Series 2016-DNA1	3.671%	7/25/28	Baa3	1,466,913
1,471	Structured Agency Credit Risk Notes, Series 2016-DNA2	5.421%	10/25/28	B1	1,568,040
1,475	Structured Agency Credit Risk Notes, Series 2016-DNA3	2.771%	12/25/28	BBB	1,488,730
530	Structured Agency Credit Risk Notes, Series 2016-DNA4	9.371%	3/25/29	N/R	524,220
250	Structured Agency Credit Risk Notes, Series 2016-DNA4	2.071%	3/25/29	BBB	249,525
1,100	Structured Agency Credit Risk Notes, Series 2016-HQA1	7.121%	9/25/28	B	1,264,711
1,125	Structured Agency Credit Risk Notes, Series 2016-HQA2	5.921%	11/25/28	B1	1,224,456
1,109	Structured Agency Credit Risk Notes, Series 2016-HQA2	3.021%	11/25/28	Baa3	1,131,776
810	Structured Agency Credit Risk Notes, Series 2016-HQA3	9.771%	3/25/29	N/R	809,995
610	Structured Agency Credit Risk Notes, Series 2016-HQA3	4.621%	3/25/29	B+	609,999
596	Structured Agency Credit Risk Notes, Series 2016-HQA3	2.121%	3/25/29	BBB	594,466
790	Structured Agency Credit Risk Notes, Series 2016-HQA4	9.521%	4/25/29	N/R	774,584
1,260	Structured Agency Credit Risk Notes, Series 2016-HQA4	2.071%	4/25/29	BBB	1,250,937

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1,467	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.441%	2/25/37	D	1,265,752
685	Voya CLO Limited, Series 2012-3AR, 144A	4.973%	10/15/22	BBB	671,210
1,300	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B1	1,311,942
455	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.684%	4/15/47	B3	443,388
1,100	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.660%	4/15/47	Ba2	1,109,759
1,175	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A	5.291%	10/15/44	B+	1,050,697

<b>Principal Amount</b> <b>(000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (2)</b>	<b>Value</b>
	<b>Residential</b> (continued)				
\$ 437	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	2.632%	11/25/36	D	\$ 387,612
863	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17	1.394%	12/25/46	Caa3	669,134
504	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR	2.468%	1/25/37	D	428,249
339	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-HY6	2.598%	6/25/37	D	312,823
415	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-HY1	0.931%	2/25/37	Caa3	312,099
1,232	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.671%	12/25/36	D	1,064,033
693	Washington Mutual Mortgage Securities Corporation. Mortgage Pass-Through Certificates, Series 2006-AR7	1.576%	7/25/46	Caa3	559,358
1,196	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates, Series 2007-PA1	6.000%	3/25/37	Caa3	1,056,695
727	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates Series 2007-PA6	3.102%	12/28/37	D	633,764
880	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-NXS1	4.104%	5/15/48	BBB	694,236
215	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK1, 144A	3.000%	8/15/49	BBB	157,197
823	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificates, Series 2007-AR8	3.157%	11/25/37	Caa2	732,379
658	Wells Fargo Mortgage Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	3.152%	12/28/37	Caa3	604,309
730		3.986%	5/15/47	N/R	536,481

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Wells Fargo-RBS Commercial  
Mortgage Trust, Commercial Mortgage  
Pass-Through Certificates, Series  
2014-C20, 144A

\$	210,559	<b>Total Long-Term Investments (cost \$155,931,377)</b>	158,830,300
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Principal Amount (000)	Description (1)	Coupon	Maturity	Value	
	<b>SHORT-TERM INVESTMENTS Investments)</b>	<b>4.2% (3.0% of Total</b>			
	<b>REPURCHASE AGREEMENTS Investments)</b>	<b>4.2% (3.0% of Total</b>			
\$	4,946	Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/30/16, repurchase price \$4,945,838, collateralized by \$4,990,000 U.S. Treasury Notes, 2.125%, due 6/30/22, value \$5,049,132	0.030%	1/03/17	\$ 4,945,822
		<b>Total Short-Term Investments (cost \$4,945,822)</b>		<b>4,945,822</b>	
		<b>Total Investments (cost \$160,877,199)</b>		<b>163,776,122</b>	
		<b>139.3%</b>			
	<b>Borrowings</b>	<b>(39.3)% (3), (4)</b>		<b>(46,200,000)</b>	
	<b>Other Assets Less Liabilities</b>	<b>0.0%</b>		<b>30,460</b>	
	<b>Net Assets</b>	<b>100%</b>		<b>\$ 117,606,582</b>	

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
- (3) Borrowings as a percentage of Total Investments is 28.2%.

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- (4) The Fund segregates 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings.
- (I/O) Interest only security.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

*See accompanying notes to financial statements.*

NUVEEN 31

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

	<b>JLS</b>	<b>JMT</b>
<b>Assets</b>		
Long-term investments, at value (cost \$521,996,048 and \$155,931,377 respectively)	\$ 530,361,861	\$ 158,830,300
Short-term investments, at value (cost approximates value)	13,836,063	4,945,822
Cash	65,914	20,422
Receivable for interest	1,582,097	473,041
Other assets	35,694	1,190
<b>Total assets</b>	<b>545,881,629</b>	<b>164,270,775</b>
<b>Liabilities</b>		
Borrowings	147,200,000	46,200,000
Accrued expenses:		
Management fees	506,323	154,481
Interest on borrowings	287,068	90,099
Trustees fees	36,123	946
Other	247,782	218,667
<b>Total liabilities</b>	<b>148,277,296</b>	<b>46,664,193</b>
<b>Net assets</b>	<b>\$ 397,604,333</b>	<b>\$ 117,606,582</b>
Shares outstanding	15,888,417	4,871,277
Net asset value ( NAV ) per share outstanding	\$ 25.02	\$ 24.14
<b>Net assets consist of:</b>		
Shares, \$0.01 par value per share	\$ 158,884	\$ 48,713
Paid-in surplus	372,372,911	110,607,759
Undistributed (Over-distribution of) net investment income	3,016,914	130,598
Accumulated net realized gain (loss)	13,689,811	3,920,589
Net unrealized appreciation (depreciation)	8,365,813	2,898,923
<b>Net assets</b>	<b>\$ 397,604,333</b>	<b>\$ 117,606,582</b>
Authorized shares	Unlimited	Unlimited

*See accompanying notes to financial statements.*



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

	<b>JLS</b>	<b>JMT</b>
<b>Investment Income</b>	\$ 34,392,131	\$ 10,408,090
<b>Expenses</b>		
Management fees	5,925,312	1,808,941
Interest expense on borrowings	3,119,895	979,206
Custodian fees	136,002	103,422
Trustees fees	15,806	4,779
Professional fees	146,816	132,680
Shareholder reporting expenses	53,190	19,521
Shareholder servicing agent fees	177	177
Stock exchange listing fees	7,832	7,832
Investor relations expense	120,115	41,274
Other	24,454	18,591
Total expenses	9,549,599	3,116,423
Net investment income (loss)	24,842,532	7,291,667
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) from:		
Investments	1,976,786	260,275
Futures contracts	(91,714)	(19,108)
Change in net unrealized appreciation (depreciation) of:		
Investments	(531,861)	(57,561)
Futures contracts	(19,600)	(6,605)
Net realized and unrealized gain (loss)	1,333,611	177,001
Net increase (decrease) in net assets from operations	\$ 26,176,143	\$ 7,468,668

*See accompanying notes to financial statements.*

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

	<b>JLS</b>		<b>JMT</b>	
	<b>Year Ended 12/31/16</b>	<b>Year Ended 12/31/15</b>	<b>Year Ended 12/31/16</b>	<b>Year Ended 12/31/15</b>
<b>Operations</b>				
Net investment income (loss)	\$ 24,842,532	\$ 20,360,151	\$ 7,291,667	\$ 5,844,456
Net realized gain (loss) from:				
Investments	1,976,786	5,290,623	260,275	1,302,117
Futures contracts	(91,714)	(133,341)	(19,108)	(39,063)
Change in net unrealized appreciation (depreciation) of:				
Investments	(531,861)	(18,409,232)	(57,561)	(5,160,819)
Futures contracts	(19,600)	36,123	(6,605)	5,787
Net increase (decrease) in net assets from operations	26,176,143	7,144,324	7,468,668	1,952,478
<b>Distributions to Shareholders</b>				
From net investment income	(22,672,771)	(17,876,463)	(6,941,570)	(4,900,338)
From accumulated net realized gains	(4,499,600)	(3,982,922)	(1,199,796)	(948,412)
Return of capital		(2,259,232)		(1,604,304)
Decrease in net assets from distributions to shareholders	(27,172,371)	(24,118,617)	(8,141,366)	(7,453,054)
Net increase (decrease) in net assets	(996,228)	(16,974,293)	(672,698)	(5,500,576)
Net assets at the beginning of period	398,600,561	415,574,854	118,279,280	123,779,856
Net assets at the end of period	\$ 397,604,333	\$ 398,600,561	\$ 117,606,582	\$ 118,279,280
Undistributed (Over-distribution of) net investment income at the end of period	\$ 3,016,914	\$ 169,086	\$ 130,598	\$ 53,963

*See accompanying notes to financial statements.*