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Nuveen Preferred Income Opportunities Fund
Form N-CSRS
September 07, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

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

Investment Company Act file number 811-21293

Nuveen Preferred Income Opportunities Fund
(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2012

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.

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen Investments

Closed-End Funds

Seeks Attractive Regular Distributions from a Portfolio of Preferred Securities

Semi-Annual Report

June 30, 2012

Nuveen Preferred Income Opportunities Fund

JPC

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If you receive your Nuveen Fund distributions and statements from your financial advisor or brokerage account.

OR

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If you receive your Nuveen Fund distributions and statements directly from Nuveen.

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Chairman's
Letter to Shareholders

Dear Shareholders,

Investors have many reasons to remain cautious. The challenges in the Euro area are casting a shadow over global economies and financial markets. The political support for addressing fiscal issues is eroding as the economic and social impacts become more visible. At the same time, member nations appear unwilling to provide adequate financial support or to surrender sufficient sovereignty to strengthen the banks or unify the Euro area financial system. The gains made in reducing deficits, and the hard-won progress on winning popular acceptance of the need for economic austerity, are at risk. To their credit, European political leaders press on to find compromise solutions, but there is increasing concern that time will begin to run out.

In the U.S., strong corporate earnings have enabled the equity markets to withstand much of the downward pressures coming from weakening job creation, slower economic growth and political uncertainty. The Fed remains committed to low interest rates but has refrained from predicting another program of quantitative easing unless economic growth were to weaken significantly or the threat of recession appears on the horizon. Pre-election maneuvering has added to the already highly partisan atmosphere in the Congress. The end of the Bush-era tax cuts and implementation of the spending restrictions of the Budget Control Act of 2011, both scheduled to take place at year-end, loom closer.

During the last year, U.S. based investors have experienced a sharp decline and a strong recovery in the equity markets. The experienced investment teams at Nuveen keep their eye on a longer time horizon and use their practiced investment disciplines to negotiate through market peaks and valleys to achieve long-term goals for investors. Experienced professionals pursue investments that will weather short-term volatility and at the same time, seek opportunities that are created by markets that overreact to negative developments. Monitoring this process is an important consideration for the Fund Board as it oversees your Nuveen Fund on your behalf.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
August 23, 2012

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Portfolio Managers' Comments

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Fund disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. 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 a national rating agency.

Nuveen Preferred Income Opportunities Fund (JPC)

(formerly Nuveen Multi-Strategy Income and Growth Fund)

During the reporting period, the Fund completed its repositioning and changed its name to the Nuveen Preferred Income Opportunities Fund, formerly the Nuveen Multi-Strategy Income and Growth Fund. In connection with the Fund's repositioning, Nuveen Asset Management, LLC (NAM) and NWQ Investment Management Company, LLC (NWQ), affiliates of Nuveen Investments, assumed portfolio management responsibilities from JPC's previous sub-advisers and each manages approximately half of JPC's investment portfolio. Douglas Baker, CFA and Michael Carne, CFA have been appointed to the Fund's portfolio management team.

Douglas Baker, CFA, has more than ten years of investment industry experience and joined NAM in 2006. Michael Carne, CFA, has more than 20 years of investment experience and joined NWQ in 2002.

Here Douglas and Michael talk about their management strategies and the performance for the six-month period ended June 30, 2012.

What key strategies were used to manage the Fund during this reporting period?

The Fund invests at least 80% of its managed assets in preferred securities and up to 20% opportunistically over the market cycle in other types of securities, primarily income oriented securities such as corporate and taxable municipal debt and common equity. The Fund is managed by two experienced portfolio teams with distinctive, complementary approaches to the preferred market. NAM employs a debt-oriented approach that combines top down relative value analysis of industry sectors with fundamental credit analysis. NWQ employs a bottom up, fundamentally driven approach that combines equity research to identify which companies to own with fixed income analysis to identify the most attractive securities of a company to hold. This unique, multi-team approach gives investors access to a broader investment universe with greater diversification potential.

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For the portion of the Fund managed by NAM, we continued to believe that \$1000 par structures were generally more attractive than corresponding \$25 par retail securities. As a result, we maintained a relative overweight to \$1000 par institutional structures compared to the comparative benchmark's allocation of 35% to institutional \$1000 par and 65% to retail \$25 par. As of June 30, 2012, the Fund had an allocation of approximately 35% to \$25 par and other retail structures, and roughly 65% allocated to \$1000 par institutional structures.

Nuveen Investments

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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.

For additional information, see the Performance Overview page in this report.

* Six-month returns are cumulative; all other returns are annualized.

** Since inception returns are from 3/26/03.

*** Refer to Glossary of Terms Used in this Report for definitions. Indexes are not available for direct investment.

With respect to the Fund's allocation to lower investment-grade and below investment-grade securities, we continued to believe that this segment, over the long run, would provide a more compelling risk adjusted return profile versus higher rated investment-grade preferred/hybrid securities. We believe these lower rated securities are often overlooked by retail investors, as well as institutional investors with investment-grade only mandates. While this portion of the asset class may exhibit periods of relatively higher price volatility, we believe the return potential is disproportionately higher due to inefficiencies inherent to the lower-rated segment.

We also continued to monitor the Fund's portfolio and, in general, will rotate out of premium priced bank issued trust preferred and enhanced trust preferred securities, and into similar structures priced at discounts to par. As a result of recent regulation affecting bank capital securities, issuers may have the right to redeem certain structures at par, sometimes well before an explicit call date listed on a security, or even for a security that appears to be non-callable. Discount priced structures are a defensive measure against such redemptions, and thus these structures have outperformed similar premium priced structures. The Fund did benefit marginally from increasingly stronger demand for discount priced structures from investors seeking similar defensive positioning.

For the portion of the Fund managed by NWQ, we focused primarily on purchasing securities using a disciplined, bottom-up, research driven approach using both fundamental valuation and qualitative measures. In particular, we looked for undervalued companies where a catalyst, such as a management change, industry consolidation or a company restructuring, might lead to better value recognition or improved profitability. Once an undervalued company has been identified, we analyze the company's investable alternatives, including debt, preferred and equity securities, in order to choose the investment with the best risk/reward outlook.

How did the Fund perform over the reporting period?

The performance of the Fund, as well as for its comparative benchmark and index, is presented in the accompanying table.

Average Annual Total Return on Common Share Net Asset Value*

For periods ended 6/30/12

| | 6-Month | 1-Year | 5-Year | Since Inception** |
|-----|---------|--------|--------|-------------------|
| JPC | 13.24% | 5.15% | 1.03% | 4.25% |

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| | | | | |
|--|-------|-------|-------|-------|
| Comparative Benchmark*** | 9.30% | 7.90% | 1.97% | 2.61% |
| Merrill Lynch Fixed Rate Preferred Securities Index*** | 9.24% | 7.89% | 0.56% | 3.36% |

For the six-month period ended June 30, 2012, the Fund outperformed the comparative benchmark and the general market index.

In the NAM portion of the Fund, several factors contributed to the Fund's outperformance including: a relative overweight to \$1000 par structures versus \$25 par structures, a relative overweight to lower rated investment-grade and below investment-grade securities, a modest overweight to U.S. dollar denominated securities issued by non-U.S. domiciled firms, as well as a material overweight to the insurance sector versus the bank sector.

Nuveen Investments

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The reporting period was dominated by the continuation of the European economic crisis and its impact on the European banking sector. Our overweight to preferred/hybrid securities issued by insurers versus those issued by banks contributed positively to the Fund's performance. As of June 30, 2012, the Fund had a relative overweight to insurance preferred/hybrid securities and an underweight to bank-issued securities compared to the Index. Those same European focused headlines benefited the Fund's modest overweight to U.S. dollar-denominated securities issued by non-U.S. domiciled institutions.

The Fund's relative overweight to \$1000 par structures versus \$25 par structures marginally added to outperformance. It is our opinion the valuations between the retail structures and institutional structures may likely continue to normalize going forward, resulting in the institutional structures outperforming their retail counterparts.

Finally, the Fund's overweight to lower rated investment-grade and below investment-grade securities compared to its comparative benchmark contributed to performance. Lower rated investment-grade and below investment-grade preferred/hybrid securities outperformed their higher rated counterparts during the measurement period.

For the NWQ portion of the Fund, our holdings in the banking sector contributed to the Fund's outperformance. In particular, Wells Fargo & Company, U.S. Bancorp., and Citigroup Inc. issues were among the largest contributors for the period.

Prior to the Fund's repositioning, we entered into a put option on a single stock to benefit in the event its price declines. The option was terminated prior to the close of the reporting period.

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Fund Leverage
and Other Information

IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the returns of the Fund relative to its benchmark was the Fund's use of financial leverage through the use of bank borrowings. The Fund uses leverage because its managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a fund generally are rising. Leverage had a positive impact on the performance of the Fund over this reporting period. During the period, the Fund did not enter into any new interest rate swap contracts in order to hedge leverage costs; however, existing swap contracts that were previously entered into in order to fix (or lock-in) a portion of the Fund's leverage costs partially detracted from the overall positive contribution of leverage. Short-term floating interest rates remained below fixed swap rates for the period increasing realized leverage costs, while longer-term interest rates further declined causing negative mark-to-market unrealized losses.

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. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. The following risks are listed in order of priority.

Investment and Market Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Fund, which generally trade in the over-the-counter markets. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Price Risk. Shares of closed-end investment companies like the Fund frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. The Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, and distributions. Leverage risk can be introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in a Fund's portfolio. Leverage typically magnifies the total return of a Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The Fund's investment program and the tax treatment of Fund distributions may be affected by IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations, including changes resulting from the "sunset" provisions that may apply to the favorable tax treatment of tax-advantaged dividends. There can be no assurance as to the percentage of a Fund's distributions that will qualify as tax-advantaged dividends.

Common Stock Risk. Common stock returns often have experienced significant volatility.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Non-U.S. Securities Risk. Investments in non-U.S securities involve special risks not typically associated with domestic investments including currency risk and adverse political, social and economic development. These risks often are magnified in emerging markets.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Preferred Stock Risk. Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk.

Convertible Securities Risk. Convertible securities generally offer lower interest or dividend yields than non-convertible fixed-income securities of similar credit quality.

Currency Risk. Changes in exchange rates will affect the value of the Fund's investments.

Reinvestment Risk. If market interest rates decline, income earned from the Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Common Share Distribution
and Price Information

Distribution Information

The following information regarding the Fund's distributions is current as of June 30, 2012, and likely will vary over time based on the Fund's investment activities and portfolio investment value changes.

As mentioned previously, upon completion of its repositioning, the Fund discontinued its managed distribution policy (in which distributions may be sourced not just from income but also from realized capital gains and, if necessary, from capital), and shifted from quarterly to monthly distributions.

During the six-month reporting period, the Fund declared a quarterly distribution to common shareholders of \$0.1900 in March and then maintained a stable monthly distribution of \$0.0633 per share for the subsequent three months. Some of the important factors affecting the amount and composition of these distributions are summarized below.

The Fund employs financial leverage through the use of bank borrowings. Financial leverage provides the potential for higher earnings (net investment income), total returns and distributions over time, but as noted earlier also increases the variability of common shareholders' net asset value per share in response to changing market conditions.

During certain periods, the Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If the Fund has cumulatively earned more than it has paid in dividends, it holds excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if the Fund has cumulatively paid dividends in excess of earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. The Fund will, over time, pay all of its net investment income as dividends to shareholders. As of June 30, 2012, the Fund had a positive UNII balance, based upon our best estimate, for tax purposes and a negative UNII balance for financial reporting purposes.

The following table provides estimated information regarding the Fund's common share distributions and total return performance for the six months ended June 30, 2012. This information is provided on a tax basis rather than a generally accepted accounting principles (GAAP) basis. This information is intended to help you better

understand whether the Fund's returns for the specified time period were sufficient to meet the Fund's distributions.

| As of 6/30/12 (Common Shares) | JPC |
|--------------------------------------|------------|
| Inception date | 3/26/03 |
| Six months ended June 30, 2012: | |
| Per share distribution: | |
| From net investment income | \$ 0.33 |
| From realized capital gains | 0.05 |
| Return of capital | 0.00 |
| Total per share distribution | \$ 0.38 |
| Annualized distribution rate on NAV | 8.06% |
| Average annual total returns: | |
| 6-Month (cumulative) on NAV | 13.24% |
| 1-Year on NAV | 5.15% |
| 5-Year on NAV | 1.03% |
| Since inception on NAV | 4.25% |

Common Share Repurchases and Share Price Information

As of June 30, 2012, and since the inception of the Fund's repurchase program, the Fund has cumulatively repurchased and retired shares of its common stock as shown in the accompanying table.

| | Common Shares Repurchased and Retired | % of Outstanding Common Shares |
|-----|--|---|
| JPC | 2,724,287 | 2.8% |

During the six-month reporting period, the Fund did not repurchase any of its common shares.

As of June 30, 2012, the Fund was trading at a -4.24 discount to its common share NAV compared with an average discount of -5.48 for the entire six-month period.

Fund Snapshot

| | |
|--|------------|
| Common Share Price | \$ 9.03 |
| Common Share Net Asset Value (NAV) | \$ 9.43 |
| Premium/(Discount) to NAV | -4.24% |
| Latest Dividend | \$ 0.0633 |
| Current Distribution Rate ⁵ | 8.41% |
| Net Assets Applicable to Common Shares (\$000) | \$ 914,508 |

Leverage

| | |
|---------------------|--------|
| Regulatory Leverage | 28.53% |
| Effective Leverage | 28.53% |

Average Annual Total Returns

(Inception 3/26/03)

| | On Share Price | On NAV |
|----------------------|----------------|--------|
| 6-Month (Cumulative) | 17.59% | 13.24% |
| 1-Year | 12.20% | 5.15% |
| 5-Year | 2.61% | 1.03% |
| Since Inception | 4.25% | 4.25% |

Portfolio Composition(as a % of total investments)^{1,3}

| | |
|--------------------------------|-------|
| Insurance | 36.3% |
| Commercial Banks | 18.2% |
| Real Estate | 16.1% |
| Diversified Financial Services | 13.5% |
| Short-Term Investments | 0.9% |
| Other | 15.0% |

Country Allocation(as a % of total investments)^{1,3}

| | |
|----------------|-------|
| United States | 72.6% |
| Netherlands | 6.7% |
| United Kingdom | 5.7% |

| | |
|-------------|------|
| Switzerland | 3.2% |
| Germany | 2.8% |
| Other | 9.0% |

Top Five Issuers

(as a % of total investments)^{2,3}

| | |
|----------------------|------|
| ING Groep NV | 3.5% |
| PNC Financial | 3.2% |
| JPMorgan Chase | 2.6% |
| Metlife | 2.5% |
| Nationwide Financial | 2.4% |
| JPC | |

Performance

OVERVIEW

Nuveen Preferred Income Opportunities Fund

as of June 30, 2012

Portfolio Allocation (as a % of total investments)^{1,3}

2011-2012 Distributions Per Common Share⁵

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 Excluding investments in derivatives.

2 Excluding short-term investments and investments in derivatives.

3 Holdings are subject to change.

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

5 The Fund shifted from a quarterly to a monthly distribution beginning with its April distribution declared 4/11/12 and paid 5/1/12.

Nuveen Investments

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JPC

Shareholder Meeting Report

The annual meeting of shareholders was held in the offices of Nuveen Investments on March 30, 2012; at this meeting the shareholders were asked to vote on the election of Board Members.

| | JPC Common Shares |
|--|--------------------------------|
| Approval of the Board Members was reached as follows: | |
| Robert P. Bremner | |
| For | 82,937,164 |
| Withhold | 1,769,868 |
| Total | 84,707,032 |
| Jack B. Evans | |
| For | 82,999,139 |
| Withhold | 1,707,893 |
| Total | 84,707,032 |
| William J. Schneider | |
| For | 82,922,233 |
| Withhold | 1,784,799 |
| Total | 84,707,032 |

Nuveen Investments

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JPC

Nuveen Preferred Income Opportunities Fund

(formerly known as Nuveen Multi-Strategy Income and Growth Fund)

Portfolio of INVESTMENTS

June 30, 2012 (Unaudited)

| Shares | Description (1) | | | Value |
|-----------|--|--------|-------------|-------------------|
| | Common Stocks 3.6% (2.7% of Total Investments) | | | |
| | Chemicals 0.8% | | | |
| 134,000 | Mosaic Company | | | \$ 7,337,840 |
| | Insurance 0.3% | | | |
| 104,400 | American International Group, (3) | | | 3,350,196 |
| | Oil, Gas & Consumable Fuels 0.3% | | | |
| 107,500 | Canadian Natural Resources Limited | | | 2,886,375 |
| | Real Estate 2.2% | | | |
| 385,000 | Annaly Capital Management Inc. | | | 6,460,300 |
| 127,500 | Hospitality Properties Trust | | | 3,391,500 |
| 1,700 | Kite Realty Group Trust | | | 43,350 |
| 141,307 | Public Storage, Inc., (2) | | | 3,787,028 |
| 533,300 | Redwood Trust Inc. | | | 6,655,584 |
| | Total Real Estate | | | 20,337,762 |
| | Total Common Stocks (cost \$32,155,567) | | | 33,912,173 |
| Shares | Description (1) | Coupon | Ratings (4) | Value |
| | \$25 Par (or similar) Preferred Securities 66.1% (47.2% of Total Investments) | | | |
| | Capital Markets 4.7% | | | |
| 39,839 | Allied Capital Corporation | 6.875% | BBB | \$ 986,015 |
| 100,440 | Ameriprise Financial, Inc. | 7.750% | A | 2,839,439 |
| 216,700 | Ares Capital Corporation | 7.000% | BBB | 5,666,705 |
| 1,020,880 | Deutsche Bank Capital Funding Trust II | 6.550% | BBB | 25,185,110 |

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|---------|---|--------------|------|-------------------|
| 7,800 | Deutsche Bank Capital Funding Trust IX | 6.625% | BBB | 192,036 |
| 66,500 | Gladstone Investment Corporation | 7.125% | N/R | 1,685,775 |
| 25,450 | Goldman Sachs Group Inc., Series 2004-4 (CORTS) | 6.000% | Baa3 | 612,327 |
| 22,600 | Goldman Sachs Group Inc., Series GSC-3 (PPLUS) | 6.000% | Baa3 | 539,010 |
| 39,700 | Medley Capital Corporation, DD1 | 7.125% | NA | 994,485 |
| 1,100 | Morgan Stanley Capital Trust III | 6.250% | BB+ | 26,213 |
| 1,350 | Morgan Stanley Capital Trust IV | 6.250% | BB+ | 32,130 |
| 15,900 | Morgan Stanley Capital Trust V | 5.750% | Ba1 | 372,537 |
| 41,575 | Morgan Stanley Capital Trust VI | 6.600% | BB+ | 1,014,014 |
| 2,500 | Morgan Stanley Capital Trust VII | 6.600% | BB+ | 60,125 |
| 88,700 | Triangle Capital Corporation | 7.000% | N/R | 2,271,607 |
| | Total Capital Markets | | | 42,477,528 |
| | Commercial Banks | 10.9% | | |
| 29,766 | Barclays Bank PLC | 7.750% | BBB | 747,722 |
| 18,850 | Barclays Bank PLC | 7.100% | A+ | 467,480 |
| 200,050 | BB&T Capital Trust VI | 9.600% | Baa1 | 5,103,276 |
| 71,040 | BB&T Capital Trust VII | 8.100% | Baa1 | 1,805,837 |
| 100,896 | Fifth Third Capital Trust VI | 7.250% | Baa3 | 2,575,875 |
| 299,850 | First Niagara Finance Group | 8.625% | BB+ | 8,215,890 |
| 245,000 | First Republic Bank of San Francisco, (6) | 6.200% | BBB | 6,247,500 |
| 30,000 | GMAC LLC | 7.350% | BB- | 716,100 |
| 290,000 | GMAC LLC | 7.300% | BB- | 6,861,400 |
| 375,250 | HSBC Holdings PLC | 8.000% | A- | 10,199,295 |

Nuveen Investments

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| Shares | Description (1) | Coupon | Ratings (4) | Value |
|-----------|---|--------|----------------|------------|
| | Commercial Banks (continued) | | | |
| 12,750 | HSBC Holdings PLC | 6.200% | BBB+ | \$ 319,643 |
| 1,355,685 | PNC Financial Services | 6.125% | BBB | 35,722,300 |
| 5,000 | Royal Bank of Scotland Group PLC, Series H | 7.250% | BB | 109,600 |
| 26,000 | Royal Bank of Scotland Group PLC | 7.650% | BB | 596,960 |
| 133,300 | TCF Financial Corporation, (3) | 7.500% | BB- | 3,375,156 |
| 113,600 | U.S. Bancorp. | 6.500% | A3 | 3,246,688 |
| 231,000 | Zions Bancorporation | 9.500% | BB | 6,056,820 |
| 255,900 | Zions Bancorporation | 7.900% | BB | 6,973,275 |
| | Total Commercial Banks | | | 99,340,817 |
| | Consumer Finance 0.5% | | | |
| 145,900 | GMAC LLC | 7.250% | BB- | 3,476,797 |
| 32,742 | SLM Corporation | 6.000% | BBB- | 711,156 |
| | Total Consumer Finance | | | 4,187,953 |
| | Diversified Financial Services 11.1% | | | |
| 200,000 | Bank of America Corporation | 8.625% | BB+ | 5,186,000 |
| 100,000 | Bank of America Corporation | 8.200% | BB+ | 2,585,000 |
| 190,000 | Citigroup Capital Trust VII | 7.125% | BB+ | 4,778,500 |
| 102,000 | Citigroup Capital Trust XI | 6.000% | BB | 2,483,700 |
| 50,700 | Citigroup Capital Trust XII | 8.500% | BB+ | 1,270,542 |
| 404,268 | Citigroup Capital XIII | 7.875% | BB+ | 11,032,474 |
| 54,991 | Citigroup Capital XVI | 6.450% | BB+ | 1,352,779 |
| 16,300 | Citigroup Capital XVII | 6.350% | BB+ | 403,425 |
| 159,401 | Citigroup Inc. | 8.125% | BB | 4,495,108 |
| 519,751 | Countrywide Capital Trust III | 7.000% | BB+ | 12,915,812 |
| 96,200 | Countrywide Capital Trust IV | 6.750% | BB+ | 2,362,672 |
| 80,000 | GMAC LLC | 7.375% | BB- | 1,893,600 |
| 285,000 | ING Groep N.V | 8.500% | BBB | 7,256,100 |
| 65,000 | ING Groep N.V | 7.375% | BBB | 1,548,300 |
| 204,023 | ING Groep N.V | 7.200% | BBB | 4,796,581 |
| 1,267,139 | ING Groep N.V | 7.050% | BBB | 29,524,339 |

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| | | | | |
|---------|--|--------------|------|-------------|
| 25,000 | ING Groep N.V | 6.375% | BBB | 522,500 |
| 50,000 | ING Groep N.V | 6.125% | BBB | 1,013,000 |
| 57,234 | JPMorgan Chase Capital Trust XI | 5.875% | BBB | 1,445,731 |
| 23,750 | JPMorgan Chase Capital Trust XXIX | 6.700% | A | 608,713 |
| 50,000 | KKR Financial Holdings LLC, (6) | 7.500% | BBB | 1,296,875 |
| 945 | MBNA Capital Trust | 8.125% | BB+ | 23,710 |
| 21,825 | Merrill Lynch Capital Trust II | 6.450% | BB+ | 537,113 |
| 102,860 | Merrill Lynch Preferred Capital Trust V | 7.280% | BB+ | 2,564,300 |
| | Total Diversified Financial Services | | | 101,896,874 |
| | Diversified Telecommunication Services | 1.3% | | |
| 208,137 | Qwest Corporation | 7.500% | BBB- | 5,505,224 |
| 2,500 | Qwest Corporation | 7.375% | BBB- | 66,175 |
| 255,000 | Qwest Corporation | 7.000% | BBB- | 6,558,600 |
| | Total Diversified Telecommunication Services | | | 12,129,999 |
| | Electric Utilities | 1.4% | | |
| 317,451 | Entergy Texas Inc. | 7.875% | BBB+ | 9,202,904 |
| 143,568 | SCE Trust I | 5.625% | BBB+ | 3,658,113 |
| | Total Electric Utilities | | | 12,861,017 |
| | Insurance | 13.9% | | |
| 118,745 | Aegon N.V | 8.000% | Baa1 | 3,133,681 |
| 988,772 | Aegon N.V | 6.375% | Baa1 | 24,155,700 |
| 418,754 | Allianz SE, (6) | 8.375% | A+ | 10,887,604 |
| 898,410 | Arch Capital Group Limited | 6.750% | BBB | 23,358,660 |

Nuveen Investments
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JPC

Nuveen Preferred Income Opportunities Fund (continued)

Portfolio of INVESTMENTS June 30, 2012 (Unaudited)

| Shares | Description (1) | Coupon | Ratings (4) | Value |
|---------|---|--------|----------------|--------------|
| | Insurance (continued) | | | |
| 49,020 | Aspen Insurance Holdings Limited | 7.250% | BBB- | \$ 1,254,912 |
| 985,795 | Axis Capital Holdings Limited | 6.875% | BBB | 26,409,448 |
| 125,000 | Endurance Specialty Holdings Limited | 7.500% | BBB- | 3,288,750 |
| 188,021 | EverestRe Capital Trust II | 6.200% | Baa1 | 4,777,588 |
| 246,785 | Hartford Financial Services Group Inc. | 7.875% | BB+ | 6,673,066 |
| 200,000 | Maiden Holdings NA Limited | 8.000% | BBB- | 5,120,000 |
| 480,294 | PartnerRe Limited | 6.750% | BBB+ | 12,314,738 |
| 126,730 | Prudential Financial Inc. | 9.000% | BBB+ | 3,441,987 |
| 24,617 | Prudential PLC | 6.750% | A- | 639,796 |
| 28,078 | RenaissanceRe Holdings Limited, Series C | 6.080% | BBB+ | 713,181 |
| 27,197 | RenaissanceRe Holdings Limited, Series D | 6.600% | BBB+ | 690,532 |
| | Total Insurance | | | 126,859,643 |
| | Media 0.1% | | | |
| 44,500 | Comcast Corporation | 6.625% | BBB+ | 1,126,740 |
| | Multi-Utilities 1.2% | | | |
| 230,684 | Dominion Resources Inc. | 8.375% | BBB | 6,620,631 |
| 11,289 | DTE Energy Company | 6.500% | BBB- | 318,801 |
| 153,951 | Xcel Energy Inc. | 7.600% | BBB | 4,118,189 |
| | Total Multi-Utilities | | | 11,057,621 |
| | Oil, Gas & Consumable Fuels 0.4% | | | |
| 150,000 | Nexen Inc. | 7.350% | BB+ | 3,820,500 |
| | Real Estate 19.2% | | | |
| 250,000 | American Capital Agency, (6) | 8.000% | N/A | 6,455,000 |
| 249,100 | Annaly Capital Management | 7.625% | N/A | 6,252,410 |
| 68,900 | | 9.000% | N/A | 1,808,625 |

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| | | | | |
|---------|---|--------|------|------------|
| | Ashford Hospitality Trust Inc. | | | |
| 50,000 | Ashford Hospitality Trust Inc. | 8.550% | N/A | 1,249,500 |
| 369,524 | Ashford Hospitality Trust Inc. | 8.450% | N/R | 9,227,014 |
| 300,000 | CBL & Associates Properties Inc. | 7.375% | N/A | 7,665,000 |
| 610,497 | CommonWealth REIT | 7.125% | Baa3 | 15,756,928 |
| 153,661 | Developers Diversified Realty Corporation | 7.375% | Ba1 | 3,852,281 |
| 16,200 | Digital Realty Trust Inc. | 7.000% | Baa3 | 435,294 |
| 6,800 | Duke Realty Corporation, Series K | 6.500% | Baa3 | 171,292 |
| 71,421 | Duke Realty Corporation, Series L | 6.600% | Baa3 | 1,804,094 |
| 1,150 | Duke Realty Corporation, Series O | 8.375% | Baa3 | 30,280 |
| 12,248 | Duke-Weeks Realty Corporation | 6.625% | Baa3 | 309,262 |
| 100,000 | Dupont Fabros Technology | 7.875% | Ba2 | 2,616,000 |
| 100,000 | Dupont Fabros Technology | 7.625% | Ba2 | 2,598,000 |
| 250,000 | First Potomac Realty Trust | 7.750% | N/R | 6,322,500 |
| 80,000 | Health Care REIT, Inc. | 6.500% | Baa3 | 2,066,400 |
| 75,000 | Hospitality Properties Trust | 7.000% | Baa3 | 1,931,250 |
| 178,580 | Inland Real Estate Corporation | 8.250% | N/R | 4,539,504 |
| 281,270 | Kimco Realty Corporation, | 7.750% | Baa2 | 7,214,576 |
| 57,482 | Kimco Realty Corporation, | 6.900% | Baa2 | 1,592,251 |
| 158,608 | Kimco Realty Corporation, | 6.650% | Baa2 | 3,988,991 |
| 198,500 | MFA Financial Inc., (6) | 8.000% | D | 5,036,938 |
| 275,000 | Northstar Realty Finance Corporation | 8.250% | N/R | 6,380,000 |
| 200,000 | Penn Real Estate Investment Trust | 8.250% | N/A | 5,150,000 |
| 42,905 | Prologis Inc., (6) | 8.540% | Baa3 | 2,562,235 |
| 40,000 | Prologis Inc. | 6.750% | BB | 1,003,600 |
| 51,275 | Prologis Inc. | 6.750% | BB | 1,306,487 |

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| | | | | |
|---------|---------------------------------|--------|------|-----------|
| 22,000 | PS Business Parks, Inc. | 6.875% | BBB- | 579,920 |
| 119,921 | PS Business Parks, Inc., (6) | 6.450% | BBB- | 3,177,907 |
| 29,949 | Public Storage, Inc. | 6.875% | A- | 824,196 |
| 20,120 | Public Storage, Inc. | 6.600% | A- | 503,604 |
| 7,500 | Public Storage, Inc. | 6.500% | A- | 212,625 |

Nuveen Investments

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| Shares | Description (1) | Coupon | | Ratings (4) | Value |
|-------------------------------|--|---------------|-----------------|--------------------|--------------------|
| | Real Estate (continued) | | | | |
| 96,192 | Realty Income Corporation | 6.750% | | Baa2 | \$ 2,464,439 |
| 250,000 | Realty Income Corporation | 6.625% | | Baa2 | 6,750,000 |
| 217,000 | Regency Centers Corporation | 6.625% | | Baa3 | 5,776,540 |
| 640,179 | Vornado Realty LP | 7.875% | | BBB | 17,925,012 |
| 2,300 | Vornado Realty Trust | 6.750% | | BBB- | 58,420 |
| 577,232 | Wachovia Preferred Funding Corporation | 7.250% | | BBB+ | 15,625,670 |
| 150,000 | Weingarten Realty Trust, Preferred Securities | 6.750% | | Baa3 | 3,778,500 |
| 28,500 | Weingarten Realty Trust | 6.950% | | Baa3 | 719,910 |
| 79,721 | Weingarten Realty Trust | 6.500% | | Baa3 | 2,032,886 |
| 223,515 | Winthrop Realty Trust Inc. | 9.250% | | N/R | 5,773,392 |
| | Total Real Estate | | | | 175,528,733 |
| | U.S. Agency 0.8% | | | | |
| 108,000 | Cobank Agricultural Credit Bank, 144A, (6) | 7.000% | | A | 5,346,000 |
| 31,000 | Cobank Agricultural Credit Bank, (6) | 11.000% | | A | 1,653,657 |
| | Total U.S. Agency | | | | 6,999,657 |
| | Wireless Telecommunication Services 0.6% | | | | |
| 9,637 | Telephone and Data Systems Inc. | 7.000% | | Baa2 | 257,307 |
| 134,273 | Telephone and Data Systems Inc. | 6.875% | | Baa2 | 3,617,314 |
| 58,175 | United States Cellular Corporation | 6.950% | | Baa2 | 1,559,089 |
| | Total Wireless Telecommunication Services | | | | 5,433,710 |
| | Total \$25 Par (or similar) Preferred Securities (cost \$584,473,915) | | | | 603,720,792 |
| Principal Amount (000) | Description (1) | Coupon | Maturity | Ratings (4) | Value |
| | Corporate Bonds 8.1% (5.9% of Total Investments) | | | | |
| | Capital Markets 0.2% | | | | |
| \$ 2,800 | | 1.468% | 6/15/77 | A3 | \$ 2,021,247 |

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| | | | | | | |
|------------------|---|--------|----------|------|--|-------------------|
| | State Street Capital Trust IV, (2) | | | | | |
| | Commercial Banks | | | | | 0.6% |
| 7,119 | UniCredito Luxembourg Finance SA, 144A | 6.000% | 10/31/17 | BBB+ | | 5,828,760 |
| | Consumer Finance | | | | | 0.6% |
| 1,000 | SLM Corporation | 7.250% | 1/25/22 | BBB- | | 1,057,500 |
| 5,000 | SLM Corporation | 5.625% | 8/01/33 | BBB- | | 4,225,000 |
| 6,000 | Total Consumer Finance | | | | | 5,282,500 |
| | Diversified Telecommunication Services | | | | | 0.3% |
| 2,665 | Telecom Italia Capital | 7.721% | 6/04/38 | BBB | | 2,331,875 |
| | Independent Power Producers & Energy Traders | | | | | 0.6% |
| 5,830 | NRG Energy Inc. | 7.875% | 5/15/21 | BB | | 5,888,300 |
| | Insurance | | | | | 5.0% |
| 21,972 | American International Group, Inc. | 8.175% | 5/15/68 | BBB | | 23,839,620 |
| 6,000 | Genworth Financial Inc. | 7.200% | 2/15/21 | BBB | | 5,715,000 |
| 3,500 | Hartford Life Inc. | 7.650% | 6/15/27 | BBB- | | 4,045,590 |
| 5,000 | Protective Life Corporation | 8.450% | 10/15/39 | A- | | 6,018,730 |
| 6,500 | QBE Capital Funding Trust II, 144A | 7.250% | 5/24/41 | BBB+ | | 5,865,750 |
| 42,972 | Total Insurance | | | | | 45,484,690 |
| | Media | | | | | 0.8% |
| 7,588 | RR Donnelley & Son Company | 8.250% | 3/15/19 | BB+ | | 7,436,240 |
| \$ 74,974 | Total Corporate Bonds (cost \$73,546,824) | | | | | 74,273,612 |

Nuveen Investments

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JPC

Nuveen Preferred Income Opportunities Fund (continued)

Portfolio of INVESTMENTS June 30, 2012 (Unaudited)

| Principal Amount (000)/ Shares | Description (1) | Coupon | Maturity | Ratings (4) | Value |
|--------------------------------------|--|--------------|-------------------------------------|----------------|------------|
| | Capital Preferred Securities | 58.3% | (41.8% of Total Investments) | | |
| | Capital Markets | 0.6% | | | |
| 500 | Credit Suisse thru Claudius Limited | 8.250% | 6/27/49 | BBB | \$ 500,850 |
| 3,500 | Credit Suisse AG | 7.875% | 12/12/49 | BBB | 3,505,250 |
| 1,500,000 | Macquarie PMI LLC | 8.375% | 12/29/49 | Ba1 | 1,422,611 |
| | Total Capital Markets | | | | 5,428,711 |
| | Commercial Banks | 13.9% | | | |
| 19,361 | Abbey National Capital Trust I | 8.963% | 6/30/30 | BBB- | 18,586,560 |
| 27,950 | Barclays Bank PLC | 6.278% | 12/15/34 | BBB | 21,469,094 |
| 400 | BB&T Capital Trust I | 5.850% | 8/18/35 | BBB | 401,000 |
| 2,100 | BB&T Capital Trust IV | 6.820% | 6/12/77 | Baa1 | 2,113,125 |
| 7,500 | BNP Paribas, 144A | 7.195% | 6/25/49 | BBB+ | 6,412,500 |
| 9,000 | First Empire Capital Trust I | 8.234% | 2/01/27 | BBB | 9,529,407 |
| 500 | HSBC Bank PLC | 0.850% | 6/11/49 | A- | 231,000 |
| 1,000 | HSBC Bank PLC | 1.000% | 6/30/49 | A | 465,000 |
| 1,300 | HSBC Capital Funding LP, Debt | 10.176% | 6/30/50 | A- | 1,677,000 |
| 500,000 | National Australia Bank Limited, Sponsored ADR | 8.000% | 9/29/49 | Baa1 | 534,375 |
| 4,200 | Norea Bank AB | 8.375% | 3/25/15 | BBB+ | 4,413,360 |
| 4,000 | North Fork Capital Trust II | 8.000% | 12/15/27 | Baa3 | 4,030,000 |
| 5,000 | PNC Financial Services Inc. | 6.750% | 8/01/21 | BBB | 5,273,500 |
| 11,135 | Rabobank Nederland, 144A | 11.000% | 6/30/19 | A | 14,007,830 |
| 600 | Reliance Capital Trust I, Series B | 8.170% | 5/01/28 | N/R | 607,559 |
| 3,300 | Standard Chartered PLC, 144A | 7.014% | 7/30/37 | BBB+ | 3,195,704 |
| (5) | Union Planters Preferred Fund, 144A | 7.750% | 7/15/53 | BB | 4,650,750 |

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| | | | | | |
|---------|---|--------------|----------|------|-------------|
| 27,100 | Wells Fargo & Company, Series K | 7.980% | 9/15/99 | BBB+ | 29,742,250 |
| | Total Commercial Banks | | | | 127,340,014 |
| | Commercial Services & Supplies | 0.2% | | | |
| 2 | Pitney Bowes International Holdings, 144A | 6.125% | 4/15/50 | BBB- | 2,188,156 |
| | Consumer Finance | 0.1% | | | |
| 500 | Capital One Capital IV Corporation | 6.745% | 2/05/82 | Baa3 | 500,000 |
| 850 | Capital One Capital VI | 8.875% | 5/15/40 | Baa3 | 863,813 |
| | Total Consumer Finance | | | | 1,363,813 |
| | Diversified Financial Services | 7.7% | | | |
| 600 | Bank One Capital III | 8.750% | 9/01/30 | BBB | 818,927 |
| 1,550 | BankAmerica Capital II, Series 2 | 8.000% | 12/15/26 | BB+ | 1,585,340 |
| 1,500 | BankAmerica Institutional Capital Trust, Series B, 144A | 7.700% | 12/31/26 | BB+ | 1,522,500 |
| 1,750 | BankAmerica Institutional Trust, 144A | 8.070% | 12/31/26 | BB+ | 1,788,063 |
| 1,550 | CitiGroup Capital XXI | 8.300% | 12/21/77 | BB+ | 1,553,875 |
| 24,300 | General Electric Capital Corporation | 7.125% | 12/15/49 | AA- | 25,671,978 |
| 29,912 | JPMorgan Chase & Company | 7.900% | 4/30/18 | BBB | 32,792,227 |
| 3,750 | JPMorgan Chase Capital Trust XX Ser T | 6.550% | 9/29/36 | BBB+ | 3,750,000 |
| 137 | MBNA Capital Trust | 8.278% | 12/01/26 | BB+ | 140,357 |
| 900 | NB Capital Trust II | 7.830% | 12/15/26 | BB+ | 902,250 |
| | Total Diversified Financial Services | | | | 70,525,517 |
| | Electric Utilities | 1.1% | | | |
| 100,000 | Southern California Edison Company | 6.000% | | BBB+ | 10,006,250 |
| | Insurance | 31.5% | | | |
| 7,500 | Allstate Corporation | 6.500% | 5/15/67 | Baa1 | 7,387,500 |
| 5,546 | Allstate Corporation | 6.125% | 5/15/67 | Baa1 | 5,462,810 |
| 36,650 | AXA SA, 144A | 6.379% | 12/14/66 | Baa1 | 28,587,000 |
| 20,254 | Catlin Insurance Company Limited | 7.249% | 7/19/67 | BBB+ | 17,823,520 |
| 6,815 | Cloverie PLC Zurich Insurance | 8.250% | 4/18/62 | A | 7,128,545 |

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| | | | | | |
|-----------|-------------------------------|--------|---------|----|-----------|
| 2,750,000 | Dai-ichi Mutual Life, 144A | 7.250% | 3/15/61 | A3 | 2,900,876 |
|-----------|-------------------------------|--------|---------|----|-----------|

Nuveen Investments

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| Principal Amount (000)/ Shares | Description (1) | Coupon | Maturity | Ratings (4) | Value |
|-----------------------------------|--|---------|----------|----------------|---------------|
| | Insurance (continued) | | | | |
| | Financial Security Assurance Holdings, 144A | 6.400% | 12/15/36 | Baa1 | \$ 19,400,000 |
| 31,040 | | | | | |
| 23,205 | Glen Meadows Pass Through Trust | 6.505% | 2/15/67 | BB+ | 16,707,600 |
| 5,600 | Liberty Mutual Group Inc. | 10.750% | 6/15/58 | Baa3 | 7,616,000 |
| 9,700 | Liberty Mutual Group, 144A | 7.800% | 3/15/37 | Baa3 | 9,797,000 |
| 3,500 | Lincoln National Corporation | 6.050% | 4/20/17 | BBB | 3,202,500 |
| 3,900 | Lincoln National Corporation | 7.000% | 5/17/66 | BBB | 3,724,500 |
| 9,335 | MetLife Capital Trust IV, 144A | 7.875% | 12/15/37 | BBB | 10,361,850 |
| 25,465 | MetLife Capital Trust X, 144A | 9.250% | 4/08/38 | BBB | 31,194,625 |
| 31,570 | National Financial Services Inc. | 6.750% | 5/15/37 | Baa2 | 29,991,500 |
| 1,150 | Nationwide Financial Services Capital Trust | 7.899% | 3/01/37 | Baa2 | 1,227,117 |
| 6,400 | Oil Insurance Limited, 144A | 3.443% | 12/30/56 | Baa1 | 5,556,992 |
| 3,800 | Prudential Financial Inc. | 8.875% | 6/15/18 | BBB+ | 4,512,500 |
| 7,038 | Prudential PLC | 7.750% | 3/23/49 | A- | 7,108,380 |
| 7,200 | Prudential PLC | 6.500% | 6/23/49 | A- | 6,760,800 |
| 4,600 | QBE Capital Funding Trust II, 144A | 6.797% | 6/01/67 | BBB+ | 4,059,845 |
| 19,359 | Swiss Re Capital I, 144A | 6.854% | N/A (7) | A | 17,833,955 |
| 16,328 | Symetra Financial Corporation, 144A | 8.300% | 10/15/37 | BBB- | 15,919,800 |
| 15,000 | XL Capital Ltd | 6.500% | 10/15/57 | BBB- | 12,187,500 |
| 10,350 | ZFS Finance USA TRUST II 144A | 6.450% | 12/15/65 | A | 10,350,000 |
| 1,000 | ZFS Finance USA Trust V | 6.500% | 5/09/37 | A | 980,000 |
| | Total Insurance | | | | 287,782,715 |
| | Real Estate 1.1% | | | | |
| 9 | Sovereign Real Estate Investment Trust, 144A | 12.000% | 10/31/50 | BB+ | 9,901,337 |
| | U.S. Agency 2.1% | | | | |

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| | | | | | |
|-------------------------------|---|---------------|-----------------|----|----------------------|
| 16,825 | AgFirst Farm Credit Bank | 7.300% | 12/15/53 | A | 16,841,655 |
| 2 | Farm Credit Bank of Texas | 10.000% | 12/15/60 | A3 | 1,978,374 |
| | Total U.S. Agency | | | | 18,820,029 |
| | Total Capital Preferred Securities (cost \$534,667,043) | | | | 533,356,542 |
| Shares | Description (1) | | | | Value |
| | Investment Companies 2.2% (1.5% of Total Investments) | | | | |
| 500,000 | I-Shares FTSE NAREIT Mortgage Plus Capped Index Fund | | | | \$ 7,095,000 |
| 138,400 | I-Shares I-Boxx High Yield Corporate Bond Fund | | | | 12,624,848 |
| | Total Investment Companies (cost \$19,230,005) | | | | 19,719,848 |
| Principal Amount (000) | Description (1) | Coupon | Maturity | | Value |
| | Short-Term Investments 1.2% (0.9% of Total Investments) | | | | |
| | Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/29/12, repurchase price \$11,105,453, collateralized by: \$1,410,000 U.S. Treasury Notes, 2.750%, due 11/30/16, value \$1,540,425 and \$9,670,000 U.S. Treasury Notes, 0.875%, due 12/31/16, value \$9,790,643 | 0.010% | 7/02/12 | | \$ 11,105,444 |
| \$ 11,105 | Total Short-Term Investments (cost \$11,105,444) | | | | 11,105,444 |
| | Total Investments (cost \$1,255,178,798) 139.5% | | | | 1,276,088,411 |

| | |
|--|----------------|
| Borrowings Payable (39.9)% (8), (9) | (365,000,000) |
| Other Assets Less Liabilities 0.4% (10) | 3,419,643 |
| Net Assets Applicable to Common Shares 100% | \$ 914,508,054 |

Nuveen Investments
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JPC

Nuveen Preferred Income Opportunities Fund (continued)

Portfolio of INVESTMENTS June 30, 2012 (Unaudited)

Investments in Derivatives at June 30, 2012

Call Options Written outstanding:

| Number of Contracts | Type | Notional Amount (11) | Expiration Date | Strike Price | Value (9) |
|---------------------|---|-----------------------|-----------------|--------------|-----------------------|
| (1,044) | American International Group | \$ (3,340,800) | 11/17/12 | \$ 32.0 | \$ (305,370) |
| (670) | Mosaic Company | (3,182,500) | 9/22/12 | 47.5 | (567,825) |
| (670) | Mosaic Company | (3,350,000) | 9/22/12 | 50.0 | (438,850) |
| (2,384) | Total Call Options Written (premiums received \$836,855) | \$ (9,873,300) | | | \$ (1,312,045) |

Interest Rate Swaps outstanding:

| Counterparty | Notional Amount | Fund Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate* | Fixed Rate Payment Frequency | Termination Date | Unrealized Appreciation (Depreciation) (10) |
|----------------|-----------------|--------------------------------|---------------------|-------------|------------------------------|------------------|---|
| JPMorgan | \$ 69,725,000 | Receive | 1-Month USD-LIBOR | 1.193% | Monthly | 3/21/14 | \$ (1,016,775) |
| Morgan Stanley | 69,725,000 | Receive | 1-Month USD-LIBOR | 2.064 | Monthly | 3/21/16 | (3,825,196) |
| | | | | | | | \$ (4,841,971) |

* Annualized.

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

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.

(2) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.

(3) Non-income producing; issuer has not declared a dividend within the past twelve months.

(4) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. 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.

(5) Principal Amount (000) rounds to less than \$1,000.

(6) For fair value measurement disclosure purposes, \$25 Par (or similar) Preferred Security categorized as Level 2. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Investment Valuation for more information.

(7) Perpetual security. Maturity date is not applicable.

(8) Borrowings as a percentage of Total Investments is 28.6%.

(9) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of June 30, 2012, investments with a value of \$812,161,591 have been pledged as collateral for Borrowings.

(10) Other Assets Less Liabilities includes the Value and/or the Net Unrealized Appreciation (Depreciation) of derivative instruments as noted within Investments in Derivatives at June 30, 2012.

(11) For disclosure purposes, Notional Amount is calculated by multiplying the Number of Contracts by the Strike Price by 100.

N/A Not applicable.

N/R Not rated.

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

CORTS Corporate Backed Trust Securities.

PPLUS PreferredPlus Trust.

USD-LIBOR United States Dollar London Inter-Bank Offered Rate.

REIT Real Estate Investment Trust.

See accompanying notes to financial statements.

Statement of

ASSETS & LIABILITIES

June 30, 2012 (Unaudited)

| | |
|---|------------------|
| Assets | |
| Investments, at value (cost \$1,255,178,798) | \$ 1,276,088,411 |
| Deposits with brokers for options written | 1,740,002 |
| Cash denominated in foreign currencies (cost \$) | 4 |
| Receivables: | |
| Dividends | 3,408,847 |
| Interest | 8,513,474 |
| Investments sold | 13,311,905 |
| Reclaims | 76,530 |
| Other assets | 187,110 |
| Total assets | 1,303,326,283 |
| Liabilities | |
| Borrowings | 365,000,000 |
| Call options written, at value (premiums received \$836,855) | 1,312,045 |
| Unrealized depreciation on interest rate swaps | 4,841,971 |
| Payables: | |
| Common share dividends | 6,004,562 |
| Investments purchased | 10,258,460 |
| Accrued expenses: | |
| Interest on borrowings | 40,054 |
| Management fees | 860,461 |
| Other | 500,676 |
| Total liabilities | 388,818,229 |
| Net assets applicable to Common shares | \$ 914,508,054 |
| Common shares outstanding | 96,990,341 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 9.43 |
| Net assets applicable to Common shares consist of: | |
| Common shares, \$.01 par value per share | \$ 969,903 |
| Paid-in surplus | 1,295,794,787 |
| Undistributed (Over-distribution of) net investment income | (13,071,662) |
| Accumulated net realized gain (loss) | (384,777,532) |
| Net unrealized appreciation (depreciation) | 15,592,558 |
| Net assets applicable to Common shares | \$ 914,508,054 |
| Authorized shares: | |
| Common | Unlimited |
| Preferred | Unlimited |

See accompanying notes to financial statements.

Nuveen Investments

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Statement of

OPERATIONS

Six Months Ended June 30, 2012 (Unaudited)

| | |
|--|----------------|
| Investment Income | |
| Dividends (net of foreign tax withheld of \$104,136) | \$ 21,890,144 |
| Interest | 22,384,248 |
| Total investment income | 44,274,392 |
| Expenses | |
| Management fees | 5,205,006 |
| Interest expense on borrowings | 2,452,426 |
| Shareholders' servicing agent fees and expenses | 3,091 |
| Custodian's fees and expenses | 214,929 |
| Trustees' fees and expenses | 7,023 |
| Professional fees | 154,743 |
| Shareholders' reports printing and mailing expenses | 96,833 |
| Stock exchange listing fees | 15,167 |
| Investor relations expense | 134,662 |
| Other expenses | 40,072 |
| Total expenses before custodian fee credit | 8,323,952 |
| Custodian fee credit | (1,244) |
| Net expenses | 8,322,708 |
| Net investment income (loss) | 35,951,684 |
| Realized and Unrealized Gain (Loss) | |
| Net realized gain (loss) from: | |
| Investment and foreign currency | 24,739,982 |
| Securities sold short | (1,666,640) |
| Call options written | 3,225,294 |
| Interest rate swaps | (968,894) |
| Put options purchased | (158,961) |
| Change in net unrealized appreciation (depreciation) of: | |
| Investment and foreign currency | 50,459,325 |
| Securities sold short | 1,293,234 |
| Call options written | (1,841,150) |
| Interest rate swaps | (480,849) |
| Put options purchased | 158,251 |
| Net realized and unrealized gain (loss) | 74,759,592 |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$ 110,711,276 |

See accompanying notes to financial statements.

Statement of

CHANGES in NET ASSETS (Unaudited)

| | Six Months Ended 6/30/12 | Year Ended 12/31/11 |
|---|---|------------------------------------|
| Operations | | |
| Net investment income (loss) | \$ 35,951,684 | \$ 49,769,100 |
| Net realized gain (loss) from: | | |
| Investment and foreign currency | 24,739,982 | 20,827,371 |
| Securities sold short | (1,666,640) | (257,417) |
| Call options written | 3,225,294 | 2,645,835 |
| Interest rate swaps | (968,894) | (1,540,259) |
| Put options purchased | (158,961) | |
| Change in net unrealized appreciation (depreciation) of: | | |
| Investment and foreign currency | 50,459,325 | (90,229,278) |
| Securities sold short | 1,293,234 | (64,105) |
| Call options written | (1,841,150) | 2,935,353 |
| Interest rate swaps | (480,849) | (4,361,122) |
| Put options purchased | 158,251 | (37,985) |
| Net increase (decrease) in net assets applicable to Common shares from operations | 110,711,276 | (20,312,507) |
| Distributions to Common Shareholders | | |
| From and in excess of net investment income | (36,846,631) | |
| From net investment income | | (72,490,114) |
| Return of capital | | (334,401) |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (36,846,631) | (72,824,515) |
| Capital Share Transactions | | |
| Common shares repurchased and retired | | (5,063,325) |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | | (5,063,325) |
| Net increase (decrease) in net assets applicable to Common shares | 73,864,645 | (98,200,347) |
| Net assets applicable to Common shares at the beginning of period | 840,643,409 | 938,843,756 |
| Net assets applicable to Common shares at the end of period | \$ 914,508,054 | \$ 840,643,409 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ (13,071,662) | \$ (12,176,715) |

See accompanying notes to financial statements.

Statement of

CASH FLOWS

Six Months Ended June 30, 2012 (Unaudited)

Cash Flows from Operating Activities:**Net Increase (Decrease) in Net Assets Applicable to
Common Shares from Operations**

\$ 110,711,276

Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:

Purchases of investments (1,312,654,951)

Proceeds from sales and maturities of investments and securities sold short 1,223,233,148

Proceeds from (Purchases of) short-term investments, net 73,124,153

Proceeds from (Purchases for) cash denominated in foreign currencies, net 217,252

Proceeds from (Payments for) interest rate swap contracts, net (968,894)

Cash paid for terminated call options written (32,506)

Premiums received for call options written 836,855

Amortization (Accretion) of premiums and discounts, net (2,908,350)

(Increase) Decrease in:

Deposits with brokers for securities sold short and options written 2,884,231

Receivable for dividends (2,309,965)

Receivable for interest (2,002,612)

Receivable for investments sold (9,806,077)

Receivable for matured senior loans 505,206

Receivable for reclaims 32,736

Other assets (38,570)

(Increase) Decrease in:

Payable for dividends on securities sold short (2,552)

Payable for investment purchased 10,174,660

Accrued interest on borrowings 10,016

Accrued management fees 11,606

Accrued other expenses (88,646)

Net realized (gain) loss from:

Investments and foreign currency (24,739,982)

Securities sold short 1,666,640

Call options written (3,225,294)

Interest rate swaps 968,894

Put options purchased 158,961

Change in net unrealized (appreciation) depreciation of:

Investments and foreign currency (50,459,325)

Securities sold short (1,293,234)

Call options written 1,841,150

Interest rate swaps 480,849

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| | |
|---|--------------|
| Put options purchased | (158,251) |
| Net cash provided by (used in) operating activities | 16,168,424 |
| Cash Flows from Financing Activities: | |
| Increase (Decrease) in: | |
| Borrowings | 17,000,000 |
| Cash overdraft balance | (2,326,355) |
| Cash distributions paid to Common shareholders | (30,842,069) |
| Net cash provided by (used in) financing activities | (16,168,424) |
| Net Increase (Decrease) in Cash | |
| Cash at the beginning of period | |
| Cash at the End of period | \$ |
| Supplemental Disclosure of Cash Flow Information | |

Cash paid for interest on borrowings (excluding borrowing costs) was \$2,442,410.

See accompanying notes to financial statements.

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Nuveen Investments
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Financial

HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

| | Beginning Common Share Net Asset Value | Net Investment Income (Loss) (a) | Investment Operations Distributions from Net Investment Income to Fund- Share- holders (b) | Distributions from Capital Gains to Fund- Share- holders (b) | Total | Less Distributions Net Investment Income to Common Share- holders | Capital Gains to Common Share- holders | Return of Capital to Common Share- holders | Total | |
|--|--|--|---|---|--------------------------------|---|--|--|----------------------------------|--------|
| Year Ended 12/31: | | | | | | | | | | |
| 2012(f) | \$ 8.67 | \$.37 | \$.77 | \$ | \$ 1.14 | \$ (.38)**** | \$ | \$ | \$ (.38) | |
| 2011 | 9.62 | .51 | (.72) | | (.21) | (.75) | | * | (.75) | |
| 2010 | 8.56 | .50 | 1.23 | | 1.73 | (.57) | | (.11) | (.68) | |
| 2009 | 5.60 | .54 | 3.03 | * | 3.57 | (.61) | | (.02) | (.63) | |
| 2008 | 12.38 | .86 | (6.49) | (.15) | (5.78) | (.69) | | (.31) | (1.00) | |
| 2007 | 14.26 | .97 | (1.34) | (.28) | (.09) | (.74) | (.77) | (.25) | (.12) | (1.14) |
| Fund Preferred Shares at End of Period | | | | | | | | | | |
| | Aggregate Amount Outstanding (000) | | Liquidation Value Per Share | | Asset Coverage Per Share | | Borrowings at End of Period Aggregate Amount Outstanding (000) | | Asset Coverage Per \$1,000 | |
| Year Ended 12/31: | | | | | | | | | | |
| 2012(f) | \$ | | \$ | | \$ | | \$ 365,000 | | \$ 3,506 | |
| 2011 | | | | | | | 348,000 | | 3,416 | |
| 2010 | | | | | | | 270,000 | | 4,477 | |
| 2009 | | | | | | | 270,000 | | 4,111 | |
| 2008 | 118,650 | | 25,000 | | 142,298 | | 145,545 | | 5,640 | |
| 2007 | 708,000 | | 25,000 | | 64,444 | | | | | |

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

(b) The amounts shown are based on Common share equivalents.

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

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

Nuveen Investments

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| Year Ended 12/31: | Discount from Common Shares Repurchased and Retired | Ending Common Share Net Asset Value | Ending Market Value | Total Returns | | Ending Net Assets Applicable to Common Shares (000) | Ratios/Supplemental Data Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(e) | | Net Investment Income (Loss) | Reimbursement |
|-------------------|---|-------------------------------------|---------------------|--------------------------|--|---|--|---------------|------------------------------|---------------|
| | | | | Based on Market Value(c) | Based on Common Share Net Asset Value(c) | | Expenses | Reimbursement | | |
| 2012(f) | \$ | \$ 9.43 | \$ 9.03 | 17.59% | 13.24% | \$ 914,508 | 1.86%*** | 8.04%*** | N/A | |
| 2011 | .01 | 8.67 | 8.01 | 4.95 | (2.23) | 840,643 | 1.73 | 5.40 | 1.70 | |
| 2010 | .01 | 9.62 | 8.35 | 21.28 | 21.06 | 938,844 | 1.67 | 5.39 | 1.54 | |
| 2009 | .02 | 8.56 | 7.49 | 81.73 | 67.37 | 839,846 | 1.80 | 7.76 | 1.57 | |
| 2008 | * | 5.60 | 4.60 | (51.80) | (49.27) | 556,698 | 2.47 | 8.14 | 2.04 | |
| 2007 | * | 12.38 | 10.93 | (16.28) | (5.71) | 1,230,342 | 1.53 | 6.54 | 1.05 | |

(d) After expense reimbursement from the Adviser, where applicable. As of March 31, 2011, the Adviser is no longer reimbursing for any fees or expenses.

(e) • Ratios do not reflect the effect of dividend payments to FundPreferred shareholders, where applicable.

• Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to FundPreferred shares and/or borrowings, where applicable.

• Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.

• Each ratio includes the effect of dividends expense on securities sold short and all interest expense paid and other costs related to borrowings, where applicable as follows:

| Year Ended 12/31: | Ratios of Dividends Expense on Securities Sold Short to Average Net Assets Applicable to Common Shares | Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares |
|-------------------|--|---|
| | 2012(f) | % |
| 2011 | ** | 0.43 |
| 2010 | ** | 0.40 |
| 2009 | ** | 0.45 |
| 2008 | 0.01 | 0.82 |
| 2007 | ** | |

(f) For the six months ended June 30, 2012.

N/A The Fund no longer has a contractual reimbursement agreement with the Adviser.

* Rounds to less than \$.01 per share.

** Rounds to less than .01%.

*** Annualized.

**** Represents distributions paid "From and in excess of net investment income" for the six months ended June 30, 2012.

See accompanying notes to financial statements.

Nuveen Investments

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Notes to

FINANCIAL STATEMENTS (Unaudited)

1. General Information and Significant Accounting Policies

General Information

Nuveen Preferred Income Opportunities Fund (the "Fund") is a closed-end registered investment company registered under the Investment Company Act of 1940, as amended. The Fund's Common shares are listed on the New York Stock Exchange ("NYSE") and trade under the ticker symbol "JPC."

Fund Repositioning

During the fiscal year ended December 31, 2011, Fund shareholders approved certain changes needed to implement the repositioning of the Fund's portfolio, which was the adoption of a single-strategy, debt-oriented approach. The implementation of the Fund's repositioning began on January 23, 2012 and was completed on April 2, 2012.

In connection with the Fund's repositioning:

- Nuveen Asset Management, LLC ("NAM"), a wholly-owned subsidiary of Nuveen Fund Advisors, Inc. (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen") and NWQ Investment Management Company, LLC ("NWQ") an affiliate of Nuveen, assumed equal responsibility for managing the Fund's investment portfolio.
- The Fund discontinued its managed distribution policy (in which distributions may be sourced not just from income but also from realized capital gains and, if necessary, from capital), and shifted from quarterly to monthly distributions.
- The Fund changed its name from Nuveen Multi-Strategy Income and Growth Fund (JPC) to Nuveen Preferred Income Opportunities Fund (JPC).

Investment Objectives

The Fund's investment objective of high current income with a secondary objective of total return remained unchanged as a result of the repositioning.

Prior to its repositioning, the Fund met its investment objective by maintaining a portfolio exposure target of approximately 70% in income-oriented debt securities (preferred securities and fixed- and floating-rate debt including high yield debt and senior loans), and 30% in equities and equity-like securities (convertibles and domestic and international equities).

Effective with the completion of its repositioning, the Fund meets its investment objective by investing at least 80% of its managed assets (as defined in Footnote 7 Management Fees and Other Transactions with Affiliates) in preferred securities, and up to 20% opportunistically over the market cycle in other types of securities, primarily income-oriented securities such as corporate and taxable municipal debt and common equity.

Significant Accounting Policies

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

Investment Valuation

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1 for fair value measurement purposes. Securities primarily traded on the NASDAQ National Market ("NASDAQ") are valued, except as indicated below, at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2. Investments in investment companies are valued at their respective net asset values on the valuation date. These investment vehicles are generally classified as Level 1.

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

Like most fixed income instruments, the senior and subordinated loans in which the Fund invested is not listed on an organized exchange. The secondary market of such instruments may be less liquid relative to markets for other fixed-income securities. Consequently, the value of senior and subordinated loans, determined as described above, may differ significantly from the value that would have been determined had there been an active market for that senior loan. These securities are generally classified as Level 2.

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

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

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

Refer to Footnote 2 Fair Value Measurements for further details on the leveling of securities held by the Fund as of the end of the reporting period.

Investment Transactions

Investment transactions are recorded on a trade date basis. Trade date for senior and subordinated loans purchased in the "primary market" is considered the date on which the loan allocations are determined. Trade date for senior and subordinated loans purchased in the "secondary market" is the date on which the transaction is entered into. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Fund has instructed the custodian to earmark securities in the Fund's portfolio with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At June 30, 2012, there were no outstanding when-issued/delayed delivery purchase commitments.

Investment Income

Dividend income on securities purchased and dividend expense on securities sold short are recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which reflects the amortization of premiums and includes accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also reflects paydown gains and losses, and fee income, if any. Fee income consists primarily of amendment fees. Amendment fees are earned as compensation for evaluating and accepting changes to an original senior loan agreement and are recognized when received.

Income Taxes

The Fund intends to distribute substantially all of its investment company taxable income to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. In any year

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

when the Fund realizes net capital gains, the Fund may choose to distribute all or a portion of its net capital gains to shareholders, or alternatively, to retain all or a portion of its net capital gains and pay federal corporate income taxes on such retained gains.

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

Dividends and Distributions to Common Shareholders

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

Prior to the Fund's last quarterly cash distribution declared March 1, 2012, and paid April 2, 2012 the Fund made quarterly cash distributions to Common shareholders of a stated dollar amount per share. Subject to approval and oversight by the Fund's Board of Trustees, the Fund would seek to maintain a stable distribution level designed to deliver the long-term return potential of the Fund's investment strategy through regular quarterly distributions (a "Managed Distribution Program"). Total distributions during a calendar year generally will be made from the Fund's net investment income, net realized capital gains and net unrealized capital gains in the Fund's portfolio, if any. The portion of distributions paid attributed to net unrealized gains, if any, is distributed from the Fund's assets and is treated by shareholders as a non-taxable distribution ("Return of Capital") for tax purposes. In the event that total distributions during a calendar year exceed the Fund's total return on net asset value, the difference will reduce net asset value per share. If the Fund's total return on net asset value exceeds total distributions during a calendar year, the excess will be reflected as an increase in net asset value per share. The final determination of the source and character of all distributions for the fiscal year are made after the end of the fiscal year and are reflected in the financial statements contained in the annual report as of December 31 each year.

The actual character of distributions made by the Fund during the fiscal year ended December 31, 2011 is reflected in the accompanying financial statements.

Effective with the completion of the Fund's repositioning, dividends declared to Common shareholders are declared monthly. Net realized capital gains from investment transactions, if any, are declared and distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

The distributions made by the Fund during the six months ended June 30, 2012, are provisionally classified as being "From and in excess of net investment income," and those distributions will be classified as being from net investment income, net realized capital gains and/or a return of capital for tax purposes after the fiscal year end. For purposes of calculating "Undistributed (over-distribution of) net investment income" as of June 30, 2012, the distribution amounts provisionally classified as "From and in excess of net investment

income" were treated as being entirely from net investment income. Consequently, the financial statements at June 30, 2012 reflect an over-distribution of net investment income.

FundPreferred Shares

The Fund is authorized to issue auction rate preferred ("FundPreferred") shares. As of December 31, 2009, the Fund redeemed all \$708,000,000 of its outstanding FundPreferred shares, at liquidation value.

Foreign Currency Transactions

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

valuation. Purchases and sales of investments and income denominated in foreign currencies are translated into U.S. dollars on the respective dates of such transactions.

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

The realized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with other assets and liabilities on investments, foreign currency exchange contracts, futures, options purchased, options written and swaps are recognized as a component of "Net realized gain (loss) from investments and foreign currency" on the Statement of Operations, when applicable.

The unrealized gains and losses resulting from changes in foreign currency exchange rates and changes in foreign exchange rates associated with other assets and liabilities on investments are recognized as a component of "Change in unrealized appreciation (depreciation) of investments and foreign currency" on the Statement of Operations, when applicable. The unrealized gains and losses resulting from changes in foreign exchange rates associated with foreign currency exchange contracts, futures, options purchased, options written and swaps are recognized as a component of "Change in net unrealized appreciation (depreciation) of foreign currency exchange contracts, futures, put options purchased, call options written and interest rate swaps," respectively, on the Statement of Operations, when applicable.

Interest Rate Swap Contracts

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives and is authorized to invest in interest rate swap transactions in an attempt to manage such risk. The Fund's use of interest rate swap contracts is intended to mitigate the negative impact that an increase in short-term interest rates could have on Common share net earnings as a result of leverage. Interest rate swap contracts involve the Fund's agreement with the counterparty to pay or receive a fixed rate payment in exchange for the counterparty receiving or paying a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Fund Preferred shares or any variable rate borrowing. The payment obligation is based on the notional amount of the interest rate swap contract. Interest rate swap contracts do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the net amount of interest payments that the Fund is to receive. Interest rate swap positions are valued daily. The Fund accrues the fixed rate payment expected to be paid or received and the variable rate payment expected to be received or paid on interest rate swap contracts on a daily basis, and recognizes the daily change in the fair value of the Fund's contractual rights and obligations under the contracts. The net amount recorded for these transactions for each counterparty is recognized on the Statement of Assets and Liabilities as a component of "Unrealized appreciation or depreciation on interest rate swaps(, net)" with the change during the fiscal period recognized on the Statement of Operations as a component of "Change in net unrealized appreciation (depreciation) of interest rate swaps." Income received or paid by the Fund is recognized as a component of "Net realized gain (loss) from interest rate swaps" on the Statement of Operations, in addition to the net realized gains or losses recognized upon the termination of an interest rate swap contract and are equal to the difference between the Fund's basis in the interest rate swap and the proceeds from (or cost of) the closing transaction. Payments received or made at the beginning of the measurement period

are recognized as a component of "Interest rate swap premiums paid and/or received" on the Statement of Assets and Liabilities, when applicable. For tax purposes, periodic payments are treated as ordinary income or expense.

During the six months ended June 30, 2012, the Fund used interest rate swap contracts to partially fix the interest cost of leverage, which the Fund uses through the use of bank borrowings.

The average notional amount of interest rate swap contracts outstanding during the six months ended June 30, 2012, was as follows:

| | |
|--|----------------|
| Average notional amount of interest rate swap contracts outstanding* | \$ 162,691,667 |
|--|----------------|

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

Refer to Footnote 3 Derivative Instruments and Hedging Activities for further details on interest rate swap contract activity.

Options Transactions

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives and is authorized to purchase and write (sell) call and put options, in an attempt to manage such risk. The purchase of put options involves the risk of loss of all or a part of the cash paid for the options (the premium). The market risk associated with purchasing put options is limited to the premium paid. The counterparty credit risk of purchasing options, however, needs also to take into account the current value of the option, as this is the performance expected from the counterparty. When the Fund purchases an option, an amount equal to the premium paid (the premium plus commission) is recognized as a component of "Call and/or Put options purchased, at value" on the Statement of Assets and

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FINANCIAL STATEMENTS (Unaudited) (continued)

Liabilities. When the Fund writes an option, an amount equal to the net premium received (the premium less commission) is recognized as a component of "Call and/or Put options written, at value" on the Statement of Assets and Liabilities and is subsequently adjusted to reflect the current value of the written option until the option is exercised or expires or the Fund enters into a closing purchase transaction. The changes in the value of options purchased during the fiscal period are recognized as a component of "Change in net unrealized appreciation (depreciation) of call and/or put options purchased" on the Statement of Operations. The changes in the value of options written during the fiscal period are recognized as a component of "Change in net unrealized appreciation (depreciation) of call and/or put options written" on the Statement of Operations. When an option is exercised or expires or the Fund enters into a closing purchase transaction, the difference between the net premium received and any amount paid at expiration or on executing a closing purchase transaction, including commission, is recognized as a component of "Net realized gain (loss) from call and/or put options purchased and/or written" on the Statement of Operations. The Fund, as a writer of an option, has no control over whether the underlying instrument may be sold (called) or purchased (put) and as a result bears the risk of an unfavorable change in the market value of the instrument underlying the written option. There is also the risk the Fund may not be able to enter into a closing transaction because of an illiquid market.

During six months ended June 30, 2012, the Fund wrote call options on individual stocks held in its portfolio to enhance returns while foregoing some upside potential, and prior to its repositioning, held put options on a single stock to benefit in the event its price declined.

The Fund did not purchase call options or write put options during the six months ended June 30, 2012. The average notional amount of put options purchased and call options written during the six months ended June 30, 2012, were as follows:

| | |
|---|-----------------|
| Average notional amount of put options purchased* | \$ 473,333 |
| Average notional amount of call options written* | \$ (21,423,350) |

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

Refer to Footnote 3 Derivative Instruments and Hedging Activities and Footnote 5 Investment Transactions for further details on options activity.

Short Sales

Prior to its repositioning, the Fund was authorized to make short sales of securities. To secure its obligation to deliver securities sold short, the Fund had instructed the custodian to segregate assets of the Fund, which were then held at the applicable broker, as collateral with an equivalent amount of the securities sold short. The collateral required was determined by reference to the market value of the short positions and is recognized as a component of "Deposits with brokers for securities sold short and options written" on the Statement of Assets and Liabilities. The Fund was obligated to pay to the party to which the securities were sold short, dividends declared on the stock by the issuer and recognized such amounts as "Dividends on securities sold short" on the Statement of Operations. Short sales were valued daily and the corresponding

unrealized gains or losses are recognized as a component of "Change in net unrealized appreciation (depreciation) of securities sold short" on the Statement of Operations.

Liabilities for securities sold short were reported at market value in the financial statements as of December 31, 2011. Short sale transactions result in off-balance sheet risk because the ultimate obligation may exceed the related amounts shown on the Statement of Assets and Liabilities. The Fund will incur a loss if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund's loss on a short sale is potentially unlimited because there is no upward limit on the price a borrowed security could attain. The Fund will realize a gain if the price of the security declines between those dates. Gains and losses from securities sold short are recognized as a component of "Net realized gain (loss) from securities sold short" on the Statement of Operations.

Market and Counterparty Credit Risk

In the normal course of business the Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform

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(counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose the Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of the Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose the Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

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

Repurchase Agreements

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

Zero Coupon Securities

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

Custodian Fee Credit

The Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on the Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which the Fund overdraws its account at the custodian bank.

Indemnifications

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

Use of Estimates

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

2. Fair Value Measurements

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

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

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

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

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FINANCIAL STATEMENTS (Unaudited) (continued)

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

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|-----------------------|-----------------------|-----------|-------------------------|
| Long-Term Investments*: | | | | |
| Common | | | | |
| Stocks | \$ 33,912,173 | \$ | \$ | \$ 33,912,173 |
| \$25 Par (or similar) | | | | |
| Preferred Securities | 561,057,076 | 42,663,716 | | 603,720,792 |
| Corporate Bonds | | 74,273,612 | | 74,273,612 |
| Capital Preferred Securities | | 533,356,542 | | 533,356,542 |
| Investment Companies | 19,719,848 | | | 19,719,848 |
| Short-Term Investments: | | | | |
| Repurchase Agreements | | 11,105,444 | | 11,105,444 |
| Derivatives: | | | | |
| Call Options | | | | |
| Written | (1,312,045) | | | (1,312,045) |
| Interest Rate Swaps** | | (4,841,971) | | (4,841,971) |
| Total | \$ 613,377,052 | \$ 656,557,343 | \$ | \$ 1,269,934,395 |

* Refer to the Fund's Portfolio of Investments for industry classification and breakdown of \$25 Par (or similar) Preferred Securities classified as Level 2.

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

The Nuveen funds' Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds' pricing policies, and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser's dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation

Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

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

3. Derivative Instruments and Hedging Activities

The Fund records derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Fund's investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. For additional information on the derivative instruments in which the Fund was invested

during and at the end of the reporting period, refer to the Portfolio of Investments, Financial Statements and Footnote 1 General Information and Significant Accounting Policies.

The following table presents the fair value of all derivative instruments held by the Fund as of June 30, 2012, the location of these instruments on the Statement of Assets and Liabilities, and the primary underlying risk exposure.

| Underlying Risk Exposure | Derivative Instrument | Location on the Statement of Assets and Liabilities | | | |
|--------------------------|-----------------------|---|-------|--|----------------|
| | | Asset Derivatives | | Liability Derivatives | |
| | | Location | Value | Location | Value |
| Equity Price | Options | | \$ | Call options written, at value | \$ (1,312,045) |
| | | | \$ | Unrealized depreciation on interest rate swaps | \$ (4,841,971) |
| Interest Rate | Swaps | | | | |
| Total | | | \$ | | \$ (6,154,016) |

The following tables present the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized for the six months ended June 30, 2012, on derivative instruments, as well as the primary risk exposure associated with each.

Net Realized Gain (Loss) from Call Options Written

Risk Exposure

Equity Price \$ 3,225,294

Net Realized Gain (Loss) from Interest Rate Swaps

Risk Exposure

Interest Rate \$ (968,894)

Net Realized Gain (Loss) from Put Options Purchased

Risk Exposure

Equity Price \$ (158,961)

Change in Net Unrealized Appreciation (Depreciation) of Call Options Written

Risk Exposure

Equity Price \$ (1,841,150)

Change in Net Unrealized Appreciation (Depreciation) of Interest Rate Swaps

Risk Exposure

Interest Rate \$ (480,849)

Change in Net Unrealized Appreciation (Depreciation) of Put Options Purchased

Risk Exposure

Equity Price \$ 158,251

4. Fund Shares

Common Shares

Transactions in Common shares were as follows:

| | Six Months Ended 6/30/12 | Year Ended 12/31/11 |
|---|---|------------------------------------|
| Common shares repurchased and retired | | (601,037) |
| Weighted average: | | |
| Price per Common share repurchased and retired | \$ | \$ 8.40 |
| Discount per Common share repurchased and retired | % | 13.78% |

5. Investment Transactions

Purchases and sales (including maturities and proceeds from securities sold short, but excluding short-term investments and derivative transactions) during the six months ended June 30, 2012, were as follows:

| | |
|---|------------------|
| Purchases | \$ 1,312,654,951 |
| Sales, maturities and proceeds from securities sold short | 1,223,233,148 |

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FINANCIAL STATEMENTS (Unaudited) (continued)

Transactions in call options written during the six months ended June 30, 2012, were as follows:

| | Number of Contracts | Premiums Received |
|--|--------------------------------|------------------------------|
| Call options outstanding, beginning of period | 17,985 | \$ 3,260,353 |
| Call options written | 2,384 | 836,855 |
| Call options terminated in closing purchase transactions | (4,877) | (88,655) |
| Call options exercised | (5,366) | (1,453,136) |
| Call options expired | (7,742) | (1,718,562) |
| Call options outstanding, end of period | 2,384 | \$ 836,855 |

6. Income Tax Information

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

At June 30, 2012, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives), as determined on a federal income tax basis, were as follows:

| | |
|---|------------------|
| Cost of investments | \$ 1,256,764,463 |
| Gross unrealized: | |
| Appreciation | \$ 34,988,854 |
| Depreciation | (15,664,906) |
| Net unrealized appreciation (depreciation) of investments | \$ 19,323,948 |

Permanent differences, primarily due to complex securities character adjustments, adjustments for REITs, adjustments for passive foreign investment companies, and foreign currency reclasses, resulted in reclassifications among the Fund's components of Common share net assets at December 31, 2011, the Fund's last tax year end, as follows:

| | |
|--|-----------------|
| Paid-in-surplus | \$ (23,399,920) |
| Undistributed (Over-distribution of) net investment income | 23,194,624 |
| Accumulated net realized gain (loss) | 205,296 |

The tax components of undistributed net ordinary income and net long-term capital gains at December 31, 2011, the Fund's last tax year end, were as follows:

| | |
|---|----|
| Undistributed net ordinary income * | \$ |
| Undistributed net long-term capital gains | |

* Net ordinary income consists of net taxable income derived from dividends, interest, and net short-term capital gains, if any.

The tax character of distributions paid during the Fund's last tax year ended December 31, 2011 was designated for purposes of the dividends paid deduction as follows:

| | |
|--|---------------|
| Distributions from net ordinary income * | \$ 72,490,114 |
| Distributions from net long-term capital gains | |
| Return of capital | 334,401 |

* Net ordinary income consists of net taxable income derived from dividends, interest, and current year earnings and profits attributable to realized gains.

At December 31, 2011, the Fund's last tax year end, the Fund had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| | |
|-------------------|----------------|
| Expiration: | |
| December 31, 2016 | \$ 192,989,628 |
| December 31, 2017 | 204,895,930 |
| December 31, 2018 | 9,385,427 |
| Total | \$ 407,270,985 |

During the Fund's last tax year ended December 31, 2011, the Fund utilized capital loss carryforwards as follows:

| | |
|-------------------------------------|---------------|
| Utilized capital loss carryforwards | \$ 22,904,968 |
|-------------------------------------|---------------|

Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Fund after December 31, 2010 will not be subject to expiration. During the Fund's last tax year ended December 31, 2011, there were no post-enactment capital losses generated.

The Fund has elected to defer losses incurred from November 1, 2011 through December 31, 2011, the Fund's last tax year end, in accordance with federal income tax rules. These losses are treated as having arisen on the first day of the current fiscal year. The Fund has elected to defer losses as follows:

| | |
|-----------------------------|--------------|
| Post-October capital losses | \$ 1,543,632 |
| Late-year ordinary losses | 24,767 |

7. Management Fees and Other Transactions with Affiliates

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

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

| Average Daily Managed Assets* | Fund-Level Fee Rate |
|-------------------------------------|---------------------|
| For the first \$500 million | .7000% |
| For the next \$500 million | .6750 |
| For the next \$500 million | .6500 |
| For the next \$500 million | .6250 |
| For managed assets over \$2 billion | .6000 |

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

Complex-Level Managed Asset

| Breakpoint Level* | Effective Rate at Breakpoint Level |
|--------------------------|---|
| \$55 billion | .2000% |
| \$56 billion | .1996 |
| \$57 billion | .1989 |
| \$60 billion | .1961 |
| \$63 billion | .1931 |
| \$66 billion | .1900 |
| \$71 billion | .1851 |
| \$76 billion | .1806 |
| \$80 billion | .1773 |
| \$91 billion | .1691 |
| \$125 billion | .1599 |
| \$200 billion | .1505 |
| \$250 billion | .1469 |
| \$300 billion | .1445 |

* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen Funds that constitute "eligible assets." Eligible assets do not include assets attributable to investments in other Nuveen Funds and assets in excess of \$2 billion added to the Nuveen Fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of June 30, 2012, the complex-level fee rate for the Fund was .1731%.

The management fee compensates the Adviser for overall investment strategy advisory and administrative services and general office facilities. The Adviser is responsible for the Fund's overall investment strategy and asset allocation decisions.

Prior to the Fund's repositioning, the Adviser had entered into sub-advisory agreements with Spectrum Asset Management, Inc. ("Spectrum"), Symphony and Tradewinds Global Investors, LLC ("Tradewinds"). Symphony and Tradewinds are both affiliates of

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

Nuveen. Spectrum managed the portion of the Fund's investment portfolio allocated to preferred securities. Symphony managed the portion of the Fund's investment portfolio allocated to debt securities and certain equity investments. Tradewinds managed the portion of the Fund's investment portfolios allocated to global equities, common stocks sold short and options strategies. The Adviser is responsible for overseeing the Fund's investments in interest rate swap contracts. Each sub-adviser was compensated for its services to the Fund from the management fees paid to the Adviser. Spectrum also received compensation on certain portfolio transactions providing brokerage services to the Fund. During the six months ended June 30, 2012, the Fund paid Spectrum commissions of \$14,251.

Subsequent to the Fund's repositioning, the Adviser entered into sub-advisory agreements with NWQ and NAM. NWQ and NAM are each responsible for approximately half of the Fund's portfolio. The Adviser continues to be responsible for overseeing the Fund's investments in interest rate swap contracts. NWQ and NAM are compensated for their services to the Fund from the management fees paid to the Adviser.

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

8. Borrowing Arrangements

The Fund has entered into prime brokerage facilities with BNP Paribas Prime Brokerage, Inc. ("BNP") as a means of financial leverage. The Fund's maximum commitment amount under these borrowings is as follows:

| | |
|---------------------------|----------------|
| Maximum commitment amount | \$ 365,000,000 |
|---------------------------|----------------|

As of June 30, 2012, the Fund's outstanding balance on its borrowings was as follows:

| | |
|------------------------|----------------|
| Outstanding borrowings | \$ 365,000,000 |
|------------------------|----------------|

During the six months ended June 30, 2012, the average daily balance outstanding and average annual interest rate on the Fund's borrowings were as follows:

| | |
|-----------------------------------|----------------|
| Average daily balance outstanding | \$ 355,472,527 |
| Average annual interest rate | 1.34% |

In order to maintain these borrowing facilities, the Fund must meet certain collateral, asset coverage and other requirements. Borrowings outstanding are fully secured by securities held in the Fund's portfolio of investments. Interest is charged on these borrowings for the Fund at 3-Month London Inter-Bank Offered

Rate (LIBOR) plus .85% on the amounts borrowed and .50% on the undrawn balance.

Effective January 9, 2012 interest charged on the amount borrowed changed from 3-Month LIBOR plus .95% to 3-Month LIBOR plus .85%. All other terms remain unchanged.

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

9. New Accounting Pronouncements

Financial Accounting Standards Board ("FASB") Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities

In December 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-11 ("ASU No. 2011-11") to enhance disclosures about financial instruments and derivative instruments that are subject to offsetting ("netting") on the Statement of Assets and Liabilities. This information will enable users of the entity's financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. ASU No. 2011-11 is effective prospectively during interim or annual periods beginning on or after January 1, 2013. At this time, management is evaluating the implications of this guidance and the impact it will have to the financial statements amounts and footnote disclosures, if any.

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Annual Investment Management
Agreement Approval Process (Unaudited)

The Board of Trustees (the "*Board*" and each Trustee, a "*Board Member*") of the Fund, including the Board Members who are not parties to the Fund's advisory or sub-advisory agreements or "interested persons" of any such parties (the "*Independent Board Members*"), is responsible for approving the advisory agreement (the "*Investment Management Agreement*") between the Fund and Nuveen Fund Advisors, Inc. (the "*Advisor*") and the sub-advisory agreements (each, a "*Sub-Advisory Agreement*") between (a) the Advisor and Nuveen Asset Management, LLC ("*Nuveen Asset Management*") and (b) the Advisor and NWQ Investment Management Company, LLC ("*NWQ*") (Nuveen Asset Management and NWQ are each a "*Sub-Advisor*") (the Investment Management Agreement and the Sub-Advisory Agreements are referred to collectively as the "*Advisory Agreements*") and their periodic continuation. Pursuant to the Investment Company Act of 1940, as amended (the "*1940 Act*"), the Board is required to consider the continuation of the Advisory Agreements on an annual basis. Accordingly, at an in-person meeting held on May 21-23, 2012 (the "*May Meeting*"), the Board, including a majority of the Independent Board Members, considered and approved the continuation of the Advisory Agreements for the Fund for an additional one-year period.

In preparation for their considerations at the May Meeting, the Board requested and received extensive materials prepared in connection with the review of the Advisory Agreements. The materials provided a broad range of information regarding the Fund, the Advisor and the Sub-Advisors (the Advisor and the Sub-Advisors are collectively, the "*Fund Advisers*" and each, a "*Fund Adviser*"). As described in more detail below, the information provided included, among other things, a review of Fund performance, including Fund investment performance assessments against peer groups and appropriate benchmarks, a comparison of Fund fees and expenses relative to peers, a description and assessment of shareholder service levels for the Fund, a summary of the performance of certain service providers, a review of product initiatives and shareholder communications and an analysis of the Advisor's profitability with comparisons to comparable peers in the managed fund business. As part of their annual review, the Board also held a separate meeting on April 18-19, 2012, to review the Fund's investment performance and consider an analysis provided by the Advisor of the Sub-Advisors which generally evaluated the Sub-Advisors' investment teams, investment mandate, organizational structure and history, investment philosophy and process, performance of the Fund, and significant changes to the foregoing. As a result of their review of the materials and discussions, the Board presented the Advisor with questions and the Advisor responded.

The materials and information prepared in connection with the annual review of the Advisory Agreements supplement the information and analysis provided to the Board

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

during the year. In this regard, throughout the year, the Board, acting directly or through its committees, regularly reviews the performance and various services provided by the Advisor and the Sub-Advisors. The Board meets at least quarterly as well as at other times as the need arises. At its quarterly meetings, the Board reviews reports by the Advisor which include, among other things, Fund performance, a review of the investment teams and reports on compliance, regulatory matters and risk management. The Board also meets with key investment personnel managing the Fund portfolios during the year. In October 2011, the Board also created two new standing committees (the Open-end Fund Committee and the Closed-end Fund Committee) to assist the full Board in monitoring and gaining a deeper insight into the distinctive issues and business practices of open-end and closed-end funds.

In addition, the Board continues its program of seeking to have the Board Members or a subset thereof visit each sub-advisor to the Nuveen funds at least once over a multiple year rotation, meeting with key investment and business personnel. In this regard, the Independent Board Members made a site visit to NWQ in February 2011. Further, an ad hoc committee of the Board visited the then-current transfer agents of the Nuveen funds in 2011 and the audit committee of the Board visited the various pricing agents for the Nuveen funds in January 2012.

The Board considers factors and information that are relevant to its annual consideration of the renewal of the Advisory Agreements at the meetings held throughout the year. Accordingly, the Board considers the information provided and knowledge gained at these meetings when performing its annual review of the Advisory Agreements. The Independent Board Members are assisted throughout the process by independent legal counsel who provided materials describing applicable law and the duties of directors or trustees in reviewing advisory contracts and met with the Independent Board Members in executive sessions without management present. In addition, it is important to recognize that the management arrangements for the Nuveen funds are the result of many years of review and discussion between the Independent Board Members and fund management and that the Board Members' conclusions may be based, in part, on their consideration of fee arrangements and other factors developed in previous years.

The Board considered all factors it believed relevant with respect to the Fund, including among other factors: (a) the nature, extent and quality of the services provided by the Fund Advisers, (b) the investment performance of the Fund and Fund Advisers, (c) the advisory fees and costs of the services to be provided to the Fund and the profitability of the Fund Advisers, (d) the extent of any economies of scale, (e) any benefits derived by the Fund Advisers from the relationship with the Fund and (f) other factors. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to the Fund's Advisory Agreements. The Independent Board Members did not identify any single factor as all important or controlling. The Independent Board Members' considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. Nature, Extent and Quality of Services

In considering renewal of the Advisory Agreements, the Independent Board Members considered the nature, extent and quality of the Fund Adviser's services, including advisory services and the resulting Fund performance and administrative services. The Independent Board Members further considered the overall reputation and capabilities of the Advisor and its affiliates, the commitment of the Advisor to provide high quality service to the Fund, their overall confidence in the Advisor's integrity and the Advisor's responsiveness to questions and concerns raised by them. The Independent Board Members reviewed materials outlining, among other things, the Fund Adviser's organization and business; the types of services that the Fund Adviser or its affiliates provide to the Fund; the performance record of the Fund (as described in further detail below); and any initiatives Nuveen had taken for the applicable fund product line.

In considering advisory services, the Board recognized that the Advisor provides various oversight, administrative, compliance and other services for the Fund and the Sub-Advisors generally provide the portfolio investment management services to the Fund. In reviewing the portfolio management services provided to the Fund, the Board reviewed the materials provided by the Nuveen Investment Services Oversight Team analyzing, among other things, the Sub-Advisors' investment teams and changes thereto, organization and history, assets under management, Fund objectives and mandate, the investment team's philosophy and strategies in managing the Fund, developments affecting the Sub-Advisors or Fund and Fund performance. The Independent Board Members also reviewed portfolio manager compensation arrangements to evaluate each Fund Adviser's ability to attract and retain high quality investment personnel, preserve stability, and reward performance but not provide an inappropriate incentive to take undue risks. In addition, the Board considered the Advisor's execution of its oversight responsibilities over the Sub-Advisors. Given the importance of compliance, the Independent Board Members also considered Nuveen's compliance program, including the report of the chief compliance officer regarding the Fund's compliance policies and procedures; the resources dedicated to compliance; and the record of compliance with the policies and procedures.

In addition to advisory services, the Board considered the quality and extent of administrative and other non-investment advisory services the Advisor and its affiliates provide to the Fund, including product management, investment services (such as oversight of investment policies and procedures, risk management, and pricing), fund administration, oversight of service providers, shareholder services and communications, administration of Board relations, regulatory and portfolio compliance, legal support, managing leverage and promoting an orderly secondary market for common shares. The Board further recognized Nuveen's additional investments in personnel, including in compliance and risk management.

In reviewing the services provided, the Board also reviewed materials describing various notable initiatives and projects the Advisor performed in connection with the closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; efforts to eliminate product overlap with fund mergers; elimination of the insurance mandate on several funds; the repositioning of the Fund; ongoing

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

services to manage leverage that has become increasingly complex; continued secondary market offerings, share repurchases and other support initiatives for certain funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. Nuveen's support services included, among other things: continuing communications concerning the refinancing efforts related to auction rate preferred securities; supporting and promoting munifund term preferred shares (MTP) including by launching a microsite dedicated to MTP shares; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the Nuveen funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing a closed-end fund website.

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

B. The Investment Performance of the Fund and Fund Advisers

The Board, including the Independent Board Members, reviewed and considered the performance history of the Fund over various time periods. The Board reviewed, among other things, the Fund's historic investment performance as well as information comparing the Fund's performance information with that of other funds (the "*Performance Peer Group*") based on data compiled by Nuveen that was provided by an independent provider of mutual fund data and with recognized and/or customized benchmarks (*i.e.*, benchmarks derived from multiple recognized benchmarks).

The Board reviewed reports, including a comprehensive analysis of the Fund's performance and the applicable investment team. In this regard, the Board reviewed the Fund's total return information compared to the returns of its Performance Peer Group and recognized and/or customized benchmarks for the quarter, one-, three- and five-year periods ending December 31, 2011, as well as performance information reflecting the first quarter of 2012.

The Independent Board Members also reviewed historic premium and discount levels, including a summary of actions taken to address or discuss other developments affecting the secondary market discounts of various funds, including the Fund. In this regard, the Board recognized that the Fund was recently restructured. This information supplemented the fund performance information provided to the Board at each of its quarterly meetings.

In reviewing performance comparison information, the Independent Board Members recognized that the usefulness of the comparisons of the performance of certain funds with the performance of their respective Performance Peer Group may be limited because the Performance Peer Group may not adequately represent the objectives and strategies of the applicable funds or may be limited in size or number. In this regard, the

Independent Board Members noted that the Performance Peer Group of the Fund was classified as having significant differences from the Fund based on various considerations such as special fund objectives, potential investable universe and the composition of the peer set (e.g., the number and size of competing funds and number of competing managers). The Independent Board Members also noted that the investment experience of a particular shareholder in the Nuveen funds will vary depending on when such shareholder invests in the applicable fund, the class held (if multiple classes are offered in a fund) and the performance of the fund (or respective class) during that shareholder's investment period. In addition, although the performance below reflects the performance results for the time periods ending as of the most recent calendar year end (unless otherwise indicated), the Board also recognized that selecting a different ending time period may derive different results. Furthermore, while the Board is cognizant of the relevant performance of a fund's peer set and/or benchmark(s), the Board evaluated fund performance in light of the respective fund's investment objectives, investment parameters and guidelines and recognized that the objectives, investment parameters and guidelines of peers and/or benchmarks may differ to some extent, thereby resulting in differences in performance results. Nevertheless, with respect to any Nuveen funds that the Board considers to have underperformed their peers and/or benchmarks from time to time, the Board monitors such funds closely and considers any steps necessary or appropriate to address such issues.

As noted above, the Fund had significant differences from its Performance Peer Group. Therefore, the Independent Board Members considered the performance of the Fund compared to its benchmark. In this regard, the Independent Board Members recognized that the Fund was significantly restructured recently, thereby limiting the usefulness of its past performance prior to such changes. Notwithstanding the foregoing, the Independent Board Members determined that the Fund's investment performance had been satisfactory.

C. Fees, Expenses and Profitability

1. Fees and Expenses

The Board evaluated the management fees and expenses of the Fund reviewing, among other things, the Fund's gross management fees, net management fees and net expense ratios in absolute terms as well as compared to the fee and expenses of a comparable universe of funds provided by an independent fund data provider (the "*Peer Universe*") and any expense limitations.

The Independent Board Members further reviewed the methodology regarding the construction of the applicable Peer Universe. In reviewing the comparisons of fee and expense information, the Independent Board Members took into account that in certain instances various factors such as: the limited size and particular composition of the Peer Universe (including the inclusion of other Nuveen funds in the peer set); expense anomalies; changes in the funds comprising the Peer Universe from year to year; levels of reimbursement or fee waivers; the timing of information used; and the differences in the type and use of leverage may impact the comparative data, thereby limiting somewhat the ability to make a meaningful comparison with peers.

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

In reviewing the fee schedule for the Fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen (applicable, in particular, for certain closed-end funds launched since 1999). In reviewing fees and expenses (excluding leverage costs and leveraged assets), the Board considered the expenses and fees to be higher if they were over 10 basis points higher, slightly higher if they were approximately 6 to 10 basis points higher, in line if they were within approximately 5 basis points higher than the peer average and below if they were below the peer average of the Peer Universe. In reviewing the reports, the Board noted that the overwhelming majority of the Nuveen funds were at, close to or below their peer set average based on the net total expense ratio.

The Independent Board Members noted that the Fund had net management fees higher than its peer average, but a net expense ratio in line with its peer average.

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

2. Comparisons with the Fees of Other Clients

The Independent Board Members further reviewed information regarding the nature of services and range of fees offered by the Advisor to other clients, including separately managed accounts (both retail and institutional accounts), collective trusts, foreign investment funds offered by Nuveen, and funds that are not offered by Nuveen but are sub-advised by one of Nuveen's investment management teams. In evaluating the comparisons of fees, the Independent Board Members noted that the fee rates charged to the Fund and other clients vary, among other things, because of the different services involved and the additional regulatory and compliance requirements associated with registered investment companies, such as the Fund. Accordingly, the Independent Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Independent Board Members noted, in particular, that the range of services provided to the Fund (as discussed above) is much more extensive than that provided to separately managed accounts. Given the inherent differences in the various products, particularly the extensive services provided to the Fund, the Independent Board Members believe such facts justify the different levels of fees.

In considering the fees of the Sub-Advisors, the Independent Board Members also considered the pricing schedule or fees that each Sub-Advisor charges for similar investment management services for other Nuveen funds, funds of other sponsors (if any), and other clients (such as retail and/or institutional managed accounts), as applicable.

3. Profitability of Fund Advisers

In conjunction with its review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities and its financial condition. The Independent Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last two calendar years, the allocation methodology used in preparing the profitability data and an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2011. The Independent Board Members noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Independent Board Members noted that they have an Independent Board Member serve as a point person to review and keep them apprised of changes to the profitability analysis and/or methodologies during the year. The Independent Board Members also considered Nuveen's revenues for advisory activities, expenses, and profit margin compared to that of various unaffiliated management firms with comparable assets under management (based on asset size and asset composition).

In reviewing profitability, the Independent Board Members recognized the Advisor's continued investment in its business to enhance its services, including capital improvements to investment technology, updated compliance systems, and additional personnel in compliance, risk management, and product development as well as its ability to allocate resources to various areas of the Advisor as the need arises. In addition, in evaluating profitability, the Independent Board Members also recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Independent Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations. Notwithstanding the foregoing, the Independent Board Members reviewed Nuveen's methodology and assumptions for allocating expenses across product lines to determine profitability. In reviewing profitability, the Independent Board Members recognized Nuveen's investment in its fund business. Based on their review, the Independent Board Members concluded that the Advisor's level of profitability for its advisory activities was reasonable in light of the services provided.

With respect to sub-advisers affiliated with Nuveen, including the Sub-Advisors, the Independent Board Members reviewed the sub-adviser's revenues, expenses and profitability margins (pre- and post-tax) for its advisory activities and the methodology used for allocating expenses among the internal sub-advisers. Based on their review, the Independent Board Members were satisfied that each Sub-Advisor's level of profitability was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Fund as well

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

as any indirect benefits (such as soft dollar arrangements, if any) the Fund Adviser and its affiliates receive, or are expected to receive, that are directly attributable to the management of the Fund, if any. See Section E below for additional information on indirect benefits a Fund Adviser may receive as a result of its relationship with the Fund. Based on their review of the overall fee arrangements of the Fund, the Independent Board Members determined that the advisory fees and expenses of the Fund were reasonable.

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

With respect to economies of scale, the Independent Board Members have recognized the potential benefits resulting from the costs of a fund being spread over a larger asset base, although economies of scale are difficult to measure and predict with precision, particularly on a fund-by-fund basis. One method to help ensure the shareholders share in these benefits is to include breakpoints in the advisory fee schedule. Generally, management fees for funds in the Nuveen complex are comprised of a fund-level component and a complex-level component, subject to certain exceptions. Accordingly, the Independent Board Members reviewed and considered the applicable fund-level breakpoints in the advisory fee schedules that reduce advisory fees as asset levels increase. Further, the Independent Board Members noted that although closed-end funds may from time-to-time make additional share offerings, the growth of their assets will occur primarily through the appreciation of such funds' investment portfolio.

In addition to fund-level advisory fee breakpoints, the Board also considered the Fund's complex-wide fee arrangement. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex are generally reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular fund are unchanged or have decreased. The approach reflects the notion that some of Nuveen's costs are attributable to services provided to all its funds in the complex and therefore all funds benefit if these costs are spread over a larger asset base. In addition, with the acquisition of the funds previously advised by FAF Advisors, Inc., the Board noted that a portion of such funds' assets at the time of acquisition were deemed eligible to be included in the complex-wide fee calculation in order to deliver fee savings to shareholders in the combined complex and such funds were subject to differing complex-level fee rates.

Based on their review, the Independent Board Members concluded that the breakpoint schedules and complex-wide fee arrangement were acceptable and reflect economies of scale to be shared with shareholders when assets under management increase.

E. Indirect Benefits

In evaluating fees, the Independent Board Members received and considered information regarding potential "fall out" or ancillary benefits the respective Fund Adviser or its affiliates may receive as a result of its relationship with the Fund. In this regard, the Independent Board Members considered any revenues received by affiliates of the Advisor

for serving as co-manager in initial public offerings of new closed-end funds as well as revenues received in connection with secondary offerings.

In addition to the above, the Independent Board Members considered whether the Fund Advisers received any benefits from soft dollar arrangements whereby a portion of the commissions paid by the Fund for brokerage may be used to acquire research that may be useful to the Fund Adviser in managing the assets of the Fund and other clients. The Independent Board Members recognized that the Advisor and Nuveen Asset Management have the authority to pay a higher commission in return for brokerage and research services if they determine in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided and may benefit from such soft dollar arrangements. In addition, the Independent Board Members considered that NWQ may benefit from its soft dollar arrangements pursuant to which it receives research from brokers that execute the Fund's portfolio transactions. Similarly, the Board recognized that the research received pursuant to soft dollar arrangements by a Fund Adviser may also benefit the Fund and shareholders to the extent the research enhances the ability of the Fund Adviser to manage the Fund. The Independent Board Members noted that the Fund Advisers' profitability may be somewhat lower if they did not receive the research services pursuant to the soft dollar arrangements and had to acquire such services directly.

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

F. Other Considerations

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

Reinvest Automatically,
Easily and Conveniently

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

Nuveen Closed-End Funds Automatic Reinvestment Plan

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

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

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

Easy and convenient

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

How shares are purchased

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

by Plan participants. These commissions usually will be lower than those charged on individual transactions.

Flexible

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

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

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

Call today to start reinvesting distributions

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

Nuveen Investments

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Glossary of Terms
Used in this Report

- **Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- **Beta:** A measure of the variability of the change in the share price for a fund in relation to a change in the value of the fund's market benchmark. Securities with betas higher than 1.0 have been, and are expected to be, more volatile than the benchmark; securities with betas lower than 1.0 have been, and are expected to be, less volatile than the benchmark.
- **Collateralized Debt Obligations (CDOs):** Collateralized debt obligations are a type of asset-backed security constructed from a portfolio of fixed-income assets. CDOs usually are divided into different tranches having different ratings and paying different interest rates. Losses, if any, are applied in reverse order of seniority and so junior tranches generally offer higher coupons to compensate for added default risk.
- **Comparative Benchmark:** A blended return consisting of: 1) 27.5% of the Merrill Lynch Preferred Stock Hybrid Securities Index, an unmanaged index of investment-grade, exchange traded preferred issues with outstanding market values of at least \$100 million and at least one year to maturity; 2) 22.5% of the Barclays Tier 1 Capital Securities Index, an unmanaged index that includes securities that can generally be viewed as hybrid fixed-income securities that either receive regulatory capital treatment or a degree of "equity credit" from a rating agency; 3) 10.0% of the Russell 3000 Index, which measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market; 4) 10.0% of the MSCI EAFE Index, a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada; 5) 10.0% of the MSCI AC World Index, a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets; 6) 6.7% of the Merrill Lynch All U.S. Convertibles Index consisting of approximately 595 securities with a par value greater than \$50 million that were issued by U.S. companies or non-U.S. based issuers that have a significant business presence in the U.S.; 7) 6.7% of the CSFB High Yield Index, which includes approximately \$515 billion of U.S.-denominated high yield debt with a minimum of \$75 million in par value and at least one rating below investment-grade; and 8) 6.6% of the CSFB Leverage Loan Index, which includes approximately \$611 billion of U.S.-denominated Leveraged Loans at least one rating below investment-grade. Benchmark returns do not include the effects of any sales charges or management fees.

- **Effective Leverage:** Effective leverage is a Fund's effective economic leverage, and includes both Regulatory Leverage (see below) and the leverage effects of certain derivative investments in the Fund's portfolio that increase the Fund's investment exposure.
- **Leverage:** Using borrowed money to invest in securities or other assets, seeking to increase the return of an investment or portfolio.
- **Merrill Lynch Fixed Rate Preferred Securities Index:** An index that tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. Domestic Market. Qualifying securities must be rated investment grade (based on an average of Moody's, S&P, and Fitch) and must have an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long-term sovereign debt ratings). In addition, qualifying securities must be issued as public securities or through a 144a filing, must be issued in \$25, \$50 or \$100 par/liquidation preference increments, must have a fixed coupon or dividend schedule, and must have a minimum amount outstanding of \$100 million. The index returns assume reinvestment of dividends, but do not reflect any applicable sales charges.
- **Net Asset Value (NAV):** The net market value of all securities held in a portfolio.
- **Net Asset Value (NAV) Per Share:** The market value of one share of a mutual fund or closed-end fund. For a Fund, the NAV is calculated daily by taking the Fund's total assets (securities, cash, and accrued earnings), subtracting the Fund's liabilities, and dividing by the number of shares outstanding.
- **Regulatory Leverage:** Regulatory Leverage consists of preferred shares issued by or borrowings of the Fund. Both of these are part of the Fund's capital structure. Regulatory leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set in the Investment Company Act of 1940.

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Additional Fund Information

Board of Trustees

John P. Amboian
Robert P. Bremner
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Judith M. Stockdale
Carole E. Stone
Virginia L. Stringer
Terence J. Toth

Fund Manager

Nuveen Fund Advisors, Inc.
333 West Wacker Drive
Chicago, IL 60606

Custodian

State Street Bank & Trust Company
Boston, MA

**Transfer Agent and
Shareholder Services**

State Street Bank & Trust Company
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

Legal Counsel

Chapman and Cutler LLP
Chicago, IL

**Independent Registered
Public Accounting Firm**

Ernst & Young LLP
Chicago, IL

Quarterly Portfolio of Investments and Proxy Voting Information

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how the Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, and (iii) a description of the policies and procedures that the Fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission (SEC). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section at 100 F Street NE, Washington, D.C. 20549.

CEO Certification Disclosure

The Fund's Chief Executive Officer has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

The Fund has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Common Share Information

The Fund intends to repurchase shares of its own common stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Fund repurchased shares of their common stock as shown in the accompanying table.

| Fund | Common Shares Repurchased |
|-------------|--|
| JPC | |

Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments:
Serving Investors for Generations

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

Focused on meeting investor needs.

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ESA-F-0612D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

a) See Portfolio of Investments in Item 1.

b) Not applicable.

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

Not applicable to this filing.

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

Not applicable to this filing.

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

Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the Exchange Act) (17 CFR 240.13a-15(b) or 240.15d-15(b)).
 - (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
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ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable to this filing.

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

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

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

SIGNATURES

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

(Registrant) Nuveen Preferred Income Opportunities Fund

By (Signature and Title) /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date: September 7, 2012

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

By (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: September 7, 2012

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

Date: September 7, 2012