

Nuveen Credit Strategies Income Fund  
Form N-CSR  
March 08, 2013

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 811-21333

Nuveen Credit Strategies Income 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: December 31, 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.

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

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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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Closed-End Funds

Nuveen Investments

Closed-End Funds

*Seeks High Current Income from a Portfolio of Primarily Senior and Second Lien Loans.*

Annual Report

December 31, 2012

**Nuveen Credit Strategies  
Income Fund**

**JQC**

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

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Chairman's  
Letter to Shareholders

**Dear Shareholders,**

Despite the global economy's ability to muddle through the many economic headwinds of 2012, investors continue to have good reasons to remain cautious. The European Central Bank's decisions to extend intermediate term financing to major European banks and to support sovereign debt markets have begun to show signs of a stabilized euro area financial market. The larger member states of the European Union (EU) are working diligently to strengthen the framework for a tighter financial and banking union and meaningful progress has been made by agreeing to centralize large bank regulation under the European Central Bank. However, economic conditions in the southern tier members are not improving and the pressures on their political leadership remain intense. The jury is out on whether the respective populations will support the continuing austerity measures that are needed to meet the EU fiscal targets.

In the U.S., the Fed remains committed to low interest rates into 2015 through its third program of Quantitative Easing (QE3). Inflation remains low but a growing number of economists are expressing concern about the economic distortions resulting from negative real interest rates. The highly partisan atmosphere in Congress led to a disappointingly modest solution for dealing with the end-of-year tax and spending issues. Early indications for the new Congressional term have not given much encouragement that the atmosphere for dealing with the sequestration legislation and the debt ceiling issues, let alone a more encompassing "grand bargain," will be any better than the last Congress. Over the longer term, there are some encouraging trends for the U.S. economy: house prices are beginning to recover, banks and corporations continue to strengthen their financial positions and incentives for capital investment in the U.S. by domestic and foreign corporations are increasing due to more competitive energy and labor costs.

During 2012 U.S. investors have benefited from strong returns in the domestic equity markets and solid returns in most fixed income markets. However, many of the macroeconomic risks of 2012 remain unresolved, including negotiating through the many U.S. fiscal issues, managing the risks of another year of abnormally low U.S. interest rates, sustaining the progress being made in the euro area and reducing the potential economic impact of geopolitical issues, particularly in the Middle East. In the face of these uncertainties, the experienced investment professionals at Nuveen Investments seek out investments that are enjoying positive economic conditions. At the same time they are always on the alert for risks in markets subject to excessive optimism or for opportunities in markets experiencing undue pessimism. Monitoring this process is a critical function for the Fund Board as it oversees your Nuveen Fund on your behalf.

As always, I encourage you to communicate with your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of 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  
February 22, 2013



## Portfolio Manager's 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 manager as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The 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 these national rating agencies.**

Nuveen Credit Strategies Income Fund (JQC)

*(formerly Nuveen Multi-Strategy Income and Growth Fund 2)*

### **Portfolio Repositioning**

On January 23, 2012, the Fund began the repositioning of its portfolio as previously approved by common shareholders during November 2011. The goal of the portfolio repositioning was to increase the attractiveness of the Fund's common shares and narrow the Fund's trading discount by:

- Simplifying the Fund to focus on one of its current core portfolio strategies;
- Positioning the Fund in a closed-end fund category that is well understood and has historically seen more consistent secondary market demand; and
- Differentiating the Fund from similar funds, including other Nuveen closed-end funds in the same fund category.

In connection with the portfolio repositioning, Symphony Asset Management, LLC, an existing sub-adviser and affiliate of Nuveen Investments, assumed sole responsibility for managing the Fund's investment portfolio.

Upon completion of the portfolio repositioning on April 2, 2012, the Fund changed its name to Nuveen Credit Strategies Income Fund. The Fund's ticker symbol remained unchanged. The Fund also 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's investment objective of high current income with a secondary objective of total return remained unchanged.

*The Symphony team is led by Gunther Stein, the firm's Chief Investment Officer. Here Gunther talks about general market conditions, the management strategies and the performance of the Fund for the twelve-month period ended December 31, 2012.*

**What were the general market conditions and trends over the course of this reporting period?**

During this period, the U.S. economy's progress toward recovery from recession continued at a moderate pace. The Federal Reserve (Fed) maintained its efforts to improve the overall economic environment by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. The central bank decided during its December 2012 meeting to keep the fed funds rate at "exceptionally low levels" until either the unemployment rate reaches 6.5% or expected inflation goes above 2.5%.

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The Fed also affirmed its decision, announced in September 2012, to purchase \$40 billion of mortgage-backed securities each month in an effort to stimulate the housing market. In addition to this new, open-ended stimulus program, the Fed plans to continue its program to extend the average maturity of its holdings of U.S. Treasury securities through the end of December 2012. The goals of these actions, which together will increase the Fed's holdings of longer-term securities by approximately \$85 billion a month through the end of the year, are to put downward pressure on longer-term interest rates, make broader financial conditions more accommodative and support a stronger economic recovery as well as continued progress toward the Fed's mandates of maximum employment and price stability.

In the fourth quarter 2012, the U.S. economy, as measured by the U.S. gross domestic product (GDP), decreased at an estimated annualized rate of 0.1%, down from a 3.1% increase in the third quarter. This slight decline was due to lower inventory investment, federal spending and net exports. The Consumer Price Index (CPI) rose 1.7% year-over-year as of December 2012, after a 3.0% increase in 2011. The core CPI (which excludes food and energy) increased 1.9% during the period, staying just within the Fed's unofficial objective of 2.0% or lower for this inflation measure. As of January 2013, the national unemployment rate was 7.9%, slightly higher than the 7.8% unemployment rate for December 2012 but below the 8.3% level recorded in January 2012. The housing market continued to show signs of improvement, with the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rising 5.5% for the twelve months ended November 2012 (most recent data available at the time this report was prepared). This was the largest year-over-year price gain since August 2006. The outlook for the U.S. economy remained clouded by uncertainty about global financial markets and the continued negotiations by Congress regarding potential spending cuts and tax policy reform.

The reporting period ending December 31, 2012 was a strong year for risk assets, with the Credit Suisse First Boston (CSFB) Leveraged Loan Index returning 9.43% and the Credit Suisse High Yield Index returning 14.71%. Senior loans continued to see consistent demand from both retail mutual funds and institutional accounts, specifically collateralized loan obligations. Despite a looming "fiscal cliff" situation, investors continued to shrug off fears as they looked for yield among the senior parts of the capital structure. Fundamentals remained strong as well, with defaults modest and focused among issuers with particularly high leverage as well as companies with secular and/or cyclical headwinds. New issue, while robust throughout the year, slowed down incrementally into year-end making the reinvestment of coupon in secondary market issues a positive technical across the broader market sending prices higher.

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

The Fund invests at least 70% of its assets in senior secured and second lien loans, and up to 30% of its assets opportunistically over the credit cycle in other types of securities across company's capital structures. These other securities are primarily income oriented securities such as high yield debt, convertible securities and other forms of corporate debt.

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.

\* Since inception returns are from 6/25/03.

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

Throughout much of the period the Fund was positioned in a combination of senior loans and high yield corporate bonds that we believe offered attractive yield and return potential on a risk-adjusted basis. Exposure consisted of mainly U.S. issuers, and was focused on companies that, in general, had high levels of tangible assets, significant market share within their respective industries and positive free cash flow. Selectively, the Fund had exposure to companies with above average leverage where we felt that fundamentals supported the valuation or where a positive catalyst existed.

### How did the Fund perform during this twelve-month reporting period ended December 31, 2012?

The performance of the Fund, as well as a comparative index, is presented in the accompanying table.

#### Average Annual Total Return on Common Share Net Asset Value

For periods ended 12/31/12

|                             | 1-Year | 5-Year | Since Inception* |
|-----------------------------|--------|--------|------------------|
| JQC                         | 16.80% | 4.17%  | 4.50%            |
| CSFB Leveraged Loan Index** | 9.43%  | 4.81%  | 5.16%            |

For the twelve-month period ended December 31, 2012, the total return on common share net asset value (NAV) for the Fund outperformed the general market index.

Overall the Fund benefited from the strong performance of risk assets during the reporting period. As mentioned previously, the Fund was positioned in a combination of senior loans and high yield corporate bonds. Characterized as risk assets, the Fund's senior loan and high yield bond holdings contributed to the Fund's outperformance versus its benchmark.

Specifically, the Fund benefited from several positions, which offered higher total return potential as a result of a higher coupon as well as total return opportunity. First Data Corporation and Clear Channel Communications Inc. added to the Fund's performance during the reporting period. Both traded well due to significant demand from institutional buyers amid a relatively safe credit backdrop.

Hurting performance was exposure to Cengage Learning Acquisition Inc., whose term loan fell following an earnings miss and downgrade of the education solution providers credit rating. Also detracting from performance was exposure to Frac Tech International LLC, term loan, as weakness in the natural gas market continued to put pressure on revenues.

The Fund also benefited from its opportunistic exposure to positions in high yield corporate bonds and equity securities, which outperformed the core portfolio of senior loans for much of the year in what can best be characterized as a broader "risk-on" trade.

During the period, we continue to write (sell) call options on individual stocks held in the Fund's portfolio while foregoing some upside potential. We also held a put option on a single stock in an attempt to benefit in the event its price declined. This put option expired prior to the close of the reporting period. These contracts had a slight negative impact on performance.

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Fund Leverage  
and Other Information

### **IMPACT OF THE FUND'S LEVERAGE STRATEGIES ON PERFORMANCE**

One important factor impacting the return 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 the 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 the 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 contribution of leverage. Short-term floating interest rates remained below fixed swap rates for the period increasing the realized leverage costs, while longer-term interest rates overall contributed to a slight increase in the unrealized mark-to-market 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. Fund common shares are subject to a variety of risks, including:

**Investment, Market and Price 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. Shares of closed-end investment companies like the Fund frequently trade at a discount to their net asset value (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 the Fund's portfolio. Leverage typically magnifies the total return of the 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 the Fund's leveraging strategy will be successful.

**Tax Risk.** The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

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

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

**Illiquid Securities Risk.** This is the risk that the Fund may not be able to sell securities in its portfolio at the time or price desired by the Fund.

**Below-Investment Grade Risk.** Investments in securities below investment grade quality are predominantly speculative and subject to greater volatility and risk of default.

**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.

**Call Risk or Prepayment Risk.** Issuers may exercise their option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower-yielding securities.

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

**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.

**Risks from Unsecured Adjustable Rate Loans or Insufficient Collateral Securing Adjustable Rate Loans.** Some of the adjustable rate loans in which the Fund may invest will be unsecured or insufficiently collateralized, thereby increasing the risk of loss to the Fund in the event of issuer default.

**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.

**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.

**Senior Loan Risk.** Senior loans, both secured and unsecured, may not be rated by a national rating agency at the time of investment, generally will not be registered with the Securities and Exchange Commission (SEC) and generally will not be listed on a securities exchange. In addition, the amount of public information available with respect to senior loans generally is less extensive than that available for more widely rated, registered and exchange-listed securities.

**Derivatives Strategy Risk.** Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying 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.

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Common Share Distribution  
and Price Information

**Distribution Information**

The following information regarding the Fund's distributions is current as of December 31, 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 portfolio 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 current reporting period, the Fund declared a quarterly distribution to common shareholders of \$0.2000 per share in March and then maintained stable monthly distributions of \$0.0667 per share for the next eight months beginning with its April distribution declared April 11, 2012 and paid May 1, 2012. The Fund had one monthly distribution increase in December. 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 December 31, 2012, the Fund had a zero UNII balance for tax purposes and a negative UNII balance for financial reporting purposes.

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### Common Share Repurchases and Price Information

During November 2012, the Nuveen Funds Board of Directors/Trustees reauthorized the Fund's open-market share repurchase program, allowing the Fund to repurchase an aggregate of up to approximately 10% of its outstanding common shares.

As of December 31, 2012, and since the inception of the Fund's repurchase program, the Fund has cumulatively repurchased and retired shares of its outstanding common stock as shown in the accompanying table.

|     | <b>Common Shares<br/>Repurchased and Retired</b> | <b>% of Outstanding<br/>Common Shares</b> |
|-----|--|---|
| JQC | 4,315,092  | 3.2%                                      |

During the current reporting period, the Fund did not repurchase any of its common shares.

As of December 31, 2012, the Fund was trading at a -2.33% discount to its common share NAV compared with an average discount of -4.73% for the entire twelve-month period.

Nuveen Investments

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**Fund Snapshot**

|  |    |             |
|--|----|-------------|
| Common Share Price                             | \$ | 9.65        |
| Common Share Net Asset Value (NAV)             | \$ | 9.88        |
| Premium/(Discount) to NAV                      |    | -2.33%      |
| Latest Dividend                                | \$ | 0.0692      |
| Current Distribution Rate <sup>4</sup>         |    | 8.61%       |
| Net Assets Applicable to Common Shares (\$000) |    | \$1,345,657 |

**Leverage**

|                     |        |
|---------------------|--------|
| Regulatory Leverage | 29.42% |
| Effective Leverage  | 29.42% |

**Average Annual Total Returns**

(Inception 6/25/03)

|                 | On Share Price | On NAV |
|-----------------|----------------|--------|
| 1-Year          | 30.55%         | 16.80% |
| 5-Year          | 7.71%          | 4.17%  |
| Since Inception | 4.78%          | 4.50%  |

**Portfolio Composition**(as a % of total investments)<sup>1,3</sup>

|  |       |
|--|-------|
| Media                                  | 11.4% |
| Software                               | 7.0%  |
| Health Care Providers & Services       | 6.5%  |
| Pharmaceuticals                        | 6.5%  |
| Health Care Equipment & Supplies       | 6.1%  |
| Diversified Telecommunication Services | 4.2%  |
| Hotels, Restaurants & Leisure          | 3.9%  |
| Specialty Retail                       | 3.5%  |
| Semiconductors & Equipment             | 3.2%  |
| Communications Equipment               | 3.2%  |
| Chemicals                              | 2.9%  |
| Real Estate                            | 2.9%  |
| Airlines                               | 2.6%  |
| IT Services                            | 2.5%  |
| Commercial Services & Supplies         | 2.4%  |
| Internet Software & Services           | 2.1%  |
| Oil, Gas & Consumable Fuels            | 2.0%  |
| Distributors                           | 2.0%  |
| Diversified Consumer Services          | 1.9%  |
| Health Care Technology                 | 1.8%  |
| Short-Term Investments                 | 1.8%  |
| Other                                  | 19.6% |

**Top Five Issuers**

(as a % of total investments)<sup>2,3</sup>

|   |      |
|---|------|
| Caesar's Entertainment Corporation      | 2.2% |
| Pharmaceutical Product Development Inc. | 2.2% |
| MTL Publishing LLC                      | 2.0% |
| iStar Financial, Inc.                   | 1.9% |
| Univar, Inc.                            | 1.9% |
| JQC                                     |      |

Performance

## OVERVIEW

Nuveen Credit Strategies Income Fund

as of December 31, 2012

### Portfolio Allocation (as a % of total investments)<sup>1,3</sup>

### 2012 Distributions Per Common Share<sup>5</sup>

### 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 compromised 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 As previously explained in the Common Share Distribution and Share Price Information section of this report, the Fund shifted from a quarterly to a monthly distribution beginning with its April distribution declared 4/11/12 and paid 5/1/12.



Report of INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

**The Board of Trustees and Shareholders  
Nuveen Credit Strategies Income Fund  
(formerly known as Nuveen Multi-Strategy Income and Growth Fund 2)**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Nuveen Credit Strategies Income Fund (the "Fund") as of December 31, 2012, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2012, by correspondence with the custodian, counterparty, selling or agent banks, and brokers or by other appropriate auditing procedures where replies from selling or agent banks and brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Nuveen Credit Strategies Income Fund at December 31, 2012, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois  
February 27, 2013

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Nuveen Credit Strategies Income Fund

(formerly known as Nuveen Multi-Strategy Income and Growth Fund 2)

Portfolio of INVESTMENTS

December 31, 2012

| Shares | Description (1)  | Value      |
|--------|--|------------|
|        | <b>Common Stocks 12.5% (8.7% of Total Investments)</b> |            |
|        | <b>Aerospace &amp; Defense 0.3%</b>                    |            |
| 8,440  | BE Aerospace Inc., (2)                                 | \$ 416,936 |
| 16,170 | Honeywell International Inc.                           | 1,026,310  |
| 21,900 | United Technologies Corporation                        | 1,796,019  |
|        | Total Aerospace & Defense                              | 3,239,265  |
|        | <b>Air Freight &amp; Logistics 0.0%</b>                |            |
| 6,680  | C.H. Robinson Worldwide, Inc.                          | 422,310    |
|        | <b>Beverages 0.2%</b>                                  |            |
|        | Coca-Cola Bottling Company                             |            |
| 2,722  | Consolidated   | 181,013    |
| 63,208 | Coca-Cola Company                                      | 2,291,290  |
| 8,570  | Dr. Pepper Snapple Group                               | 378,623    |
|        | Total Beverages  | 2,850,926  |
|        | <b>Biotechnology 0.3%</b>                              |            |
| 25,060 | Amgen Inc.   | 2,163,179  |
| 6,400  | Biogen Idec Inc., (2)                                  | 938,688    |
| 14,240 | Gilead Sciences, Inc., (2)                             | 1,045,928  |
| 6,790  | Myriad Genetics Inc., (2)                              | 185,028    |
|        | Total Biotechnology                                    | 4,332,823  |
|        | <b>Building Products 0.1%</b>                          |            |
| 11,795 | Gibraltar Industries Inc.                              | 187,776    |
| 36,123 | Masonite Worldwide Holdings                            | 1,192,059  |
|        | Total Building Products                                | 1,379,835  |
|        | <b>Capital Markets 0.1%</b>                            |            |
| 3,470  | Affiliated Managers Group Inc., (2)                    | 451,621    |
| 7,790  | Ameriprise Financial, Inc.                             | 487,888    |
| 41,684 | Apollo Investment Corporation                          | 348,478    |
|        | Walter Investment Management                           |            |
| 7,564  | Corporation, (2)                                       | 325,403    |
|        | Total Capital Markets                                  | 1,613,390  |
|        | <b>Chemicals 0.5%</b>                                  |            |
| 5,529  | CF Industries Holdings, Inc.                           | 1,123,272  |
| 14,460 | Eastman Chemical Company                               | 984,003    |
| 5,832  | FutureFuel Corporation                                 | 69,051     |
| 6,523  | Georgia Gulf Corporation                               | 269,269    |
| 27,310 | LyondellBasell Industries NV                           | 1,559,128  |
| 8,035  | Minerals Technologies Inc.                             | 320,757    |

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|        |                               |           |
|--------|-------------------------------|-----------|
| 9,720  | Monsanto Company              | 919,998   |
| 11,261 | Westlake Chemical Corporation | 892,997   |
|        | Total Chemicals               | 6,138,475 |

Nuveen Investments

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| Shares | Description (1)                                    | Value      |
|--------|--|------------|
|        | <b>Commercial Banks 0.3%</b>                       |            |
| 8,378  | Banner Corporation                                 | \$ 257,456 |
| 16,207 | BBCN Bancorp Inc.                                  | 187,515    |
| 14,990 | M&T Bank Corporation                               | 1,476,065  |
| 16,243 | Pacwest Bancorp.                                   | 402,502    |
| 62,760 | Regions Financial Corporation                      | 446,851    |
| 16,670 | SunTrust Banks, Inc.                               | 472,595    |
|        | Total Commercial Banks                             | 3,242,984  |
|        | <b>Commercial Services &amp; Supplies 0.1%</b>     |            |
| 7,603  | Clean Harbors, Inc.                                | 418,241    |
| 9,417  | G&K Services, Inc.                                 | 321,591    |
| 26,526 | Waste Management, Inc.                             | 894,987    |
|        | Total Commercial Services & Supplies               | 1,634,819  |
|        | <b>Communications Equipment 0.1%</b>               |            |
| 37,360 | Cisco Systems, Inc.                                | 734,124    |
| 4,451  | Comtech Telecom Corporation                        | 112,966    |
| 7,862  | Procera Networks Inc., (2)                         | 145,840    |
| 14,270 | QUALCOMM, Inc.                                     | 885,025    |
|        | Total Communications Equipment                     | 1,877,955  |
|        | <b>Computers &amp; Peripherals 0.7%</b>            |            |
| 15,228 | Apple, Inc.  | 8,116,981  |
| 41,830 | EMC Corporation, (2)                               | 1,058,299  |
|        | Total Computers & Peripherals                      | 9,175,280  |
|        | <b>Construction &amp; Engineering 0.0%</b>         |            |
| 8,610  | Chicago Bridge & Iron Company N.V.                 | 399,074    |
|        | <b>Consumer Discretionary 0.1%</b>                 |            |
| 12,860 | Nordstrom Inc.                                     | 688,010    |
|        | <b>Consumer Finance 0.1%</b>                       |            |
| 12,120 | Capital One Financial Corporation                  | 702,112    |
| 12,740 | Discover Financial Services                        | 491,127    |
|        | Total Consumer Finance                             | 1,193,239  |
|        | <b>Consumer Staples 0.1%</b>                       |            |
| 35,591 | Altria Group                                       | 1,118,269  |
|        | <b>Diversified Consumer Services 0.0%</b>          |            |
| 6,133  | Ascent Media Corporation, (2)                      | 379,878    |
|        | <b>Diversified Financial Services 0.1%</b>         |            |
| 20,171 | JPMorgan Chase & Co., (3)                          | 886,919    |
| 19,871 | PHH Corporation                                    | 452,065    |
|        | Total Diversified Financial Services               | 1,338,984  |
|        | <b>Diversified Telecommunication Services 0.2%</b> |            |
| 10,853 | CenturyLink Inc.                                   | 424,569    |
| 58,738 | Verizon Communications Inc.                        | 2,541,593  |
|        | Total Diversified Telecommunication Services       | 2,966,162  |

Nuveen Investments

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JQC

Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Shares   | Description (1)                   | Value      |
|--|-----------------------------------|------------|
| <b>Electric Utilities 0.1%</b>                   |                                   |            |
| 25,520   | NV Energy Inc.                    | \$ 462,933 |
| 15,551   | Portland General Electric Company | 425,475    |
| 10,970   | UIL Holdings Corporation          | 392,836    |
|  | Total Electric Utilities          | 1,281,244  |
| <b>Electrical Equipment 0.1%</b>                 |                                   |            |
| 8,984  | Generac Holdings Inc.             | 308,241    |
| 4,420  | Rockwell Automation, Inc.         | 371,236    |
|  | Total Electrical Equipment        | 679,477    |
| <b>Energy Equipment &amp; Services 0.1%</b>      |                                   |            |
| 12,403   | C&J Energy Services Inc., (2)     | 265,920    |
| 5,190  | Helmerich & Payne Inc.            | 290,692    |
| 6,930  | Oil States International Inc.     | 495,772    |
|  | Total Energy Equipment & Services | 1,052,384  |
| <b>Food &amp; Staples Retailing 0.2%</b>         |                                   |            |
| 18,560   | Costco Wholesale Corporation      | 1,833,171  |
| 13,840   | Wal-Mart Stores, Inc.             | 944,303    |
| 4,830  | Whole Foods Market, Inc.          | 441,124    |
|  | Total Food & Staples Retailing    | 3,218,598  |
| <b>Food Products 0.3%</b>                        |                                   |            |
| 19,655   | Dole Food Company Inc.            | 225,443    |
| 10,050   | General Mills, Inc.               | 406,121    |
| 16,240   | H.J. Heinz Company                | 936,723    |
| 11,340   | Ingredion Inc.                    | 730,636    |
| 5,410  | JM Smucker Company                | 466,558    |
| 7,590  | Kraft Foods Inc.                  | 345,117    |
| 5,300  | McCormick & Company, Incorporated | 336,709    |
| 29,472   | Mondelez International Inc.       | 750,652    |
|  | Total Food Products               | 4,197,959  |
| <b>Gas Utilities 0.1%</b>                        |                                   |            |
| 7,126  | Chesapeake Utilities Corporation  | 323,520    |
| 16,050   | ONEOK, Inc.                       | 686,138    |
| 12,510   | Questar Corporation               | 247,198    |
|  | Total Gas Utilities               | 1,256,856  |
| <b>Health Care Equipment &amp; Supplies 0.3%</b> |                                   |            |
| 11,055   | Abbott Laboratories               | 724,103    |
| 21,690   | Baxter International, Inc.        | 1,445,855  |
| 11,960   | Becton, Dickinson and Company     | 935,152    |
| 16,587   | DexCom, Inc.                      | 225,749    |
| 11,580   | Medtronic, Inc.                   | 475,012    |
| 13,133   | ResMed Inc.                       | 545,939    |
| 5,400  | Steris Corporation                | 187,542    |

|        |   |             |
|--------|---|-------------|
|        | Total Health Care Equipment & Supplies      | 4,539,352   |
|        | <b>Health Care Providers &amp; Services</b> | <b>0.5%</b> |
| 6,996  | Air Methods Corporation                     | 258,082     |
| 6,752  | AmSurg Corporation, (2)                     | 202,628     |
| 20,216 | Capital Senior Living Corporation           | 377,837     |
| 7,340  | DaVita HealthCare Partners, Inc.            | 811,290     |
| 13,564 | Emeritus Corporation                        | 335,302     |
| 10,400 | Express Scripts, Holding Company, (2)       | 561,600     |
| 10,759 | Hanger Orthopedic Group Inc., (2)           | 294,366     |

Nuveen Investments

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| Shares | Description (1)   | Value      |
|--------|---|------------|
|        | <b>Health Care Providers &amp; Services</b> (continued) |            |
| 19,160 | HCA Holdings Inc.                                       | \$ 578,057 |
| 19,160 | McKesson HBOC Inc.                                      | 1,857,754  |
| 6,108  | Owens and Minor Inc.                                    | 174,139    |
| 9,201  | Team Health Holdings Inc., (2)                          | 264,713    |
| 20,648 | Vanguard Health Systems Inc.                            | 252,938    |
|        | Total Health Care Providers & Services                  | 5,968,706  |
|        | <b>Hotels, Restaurants &amp; Leisure 0.2%</b>           |            |
| 12,380 | Brinker International Inc.                              | 383,656    |
| 5,967  | Cheesecake Factory Inc.                                 | 195,240    |
| 5,486  | Life Time Fitness Inc., (2)                             | 269,966    |
| 7,970  | Marriott International, Inc., Class A                   | 297,042    |
| 33,570 | Starbucks Corporation                                   | 1,800,023  |
|        | Total Hotels, Restaurants & Leisure                     | 2,945,927  |
|        | <b>Household Durables 0.1%</b>                          |            |
| 8,660  | D.R. Horton, Inc.                                       | 171,295    |
| 4,018  | Nacco Industries Inc.                                   | 243,852    |
| 36,530 | Pulte Corporation                                       | 663,385    |
|        | Total Household Durables                                | 1,078,532  |
|        | <b>Household Products 0.1%</b>                          |            |
| 3,710  | Clorox Company  | 271,646    |
| 5,150  | Colgate-Palmolive Company                               | 538,381    |
| 10,150 | Procter & Gamble Company                                | 689,084    |
|        | Total Household Products                                | 1,499,111  |
|        | <b>Industrial Conglomerates 0.2%</b>                    |            |
| 92,427 | General Electric Company, (3)                           | 1,940,043  |
|        | <b>Insurance 0.4%</b>                                   |            |
| 25,700 | AFLAC Incorporated                                      | 1,365,184  |
| 7,268  | Everest Reinsurance Group Ltd.                          | 799,117    |
| 23,840 | Hartford Financial Services Group, Inc.                 | 534,970    |
| 12,571 | Hilltop Holdings Inc.                                   | 170,211    |
| 12,900 | Marsh & McLennan Companies, Inc.                        | 444,663    |
| 21,988 | National Financial Partners Corp., (2)                  | 376,874    |
| 4,836  | PartnerRe Limited                                       | 389,250    |
| 14,946 | Primerica Inc.  | 448,529    |
| 15,330 | Torchmark Corporation                                   | 792,101    |
| 16,930 | Valdus Holdings Limited                                 | 585,439    |
|        | Total Insurance   | 5,906,338  |
|        | <b>Internet &amp; Catalog Retail 0.1%</b>               |            |
| 4,160  | Amazon.com, Inc., (2)                                   | 1,044,742  |
|        | <b>Internet Software &amp; Services 0.3%</b>            |            |
| 24,530 | eBay Inc., (2)  | 1,251,521  |
| 3,810  | Google Inc., Class A, (2)                               | 2,702,700  |
| 2,809  | Rackspace Hosting Inc.                                  | 208,624    |
|        | Total Internet Software & Services                      | 4,162,845  |
|        | <b>IT Services 0.3%</b>                                 |            |
| 9,610  | Accenture Limited                                       | 639,065    |



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|        |   |         |
|--------|---|---------|
| 2,230  | Alliance Data Systems Corporation,<br>(2) | 322,815 |
| 12,787 | CSG Systems International Inc.            | 232,468 |
| 15,162 | Higher One Holdings Inc., (2)             | 159,807 |

Nuveen Investments

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Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Shares | Description (1)  | Value       |
|--------|--|-------------|
|        | <b>IT Services (continued)</b>                         |             |
| 7,680  | International Business Machines Corporation (IBM), (3) | \$1,471,104 |
| 14,140 | Lender Processing Services Inc.                        | 348,127     |
| 1,310  | MasterCard, Inc.                                       | 643,577     |
| 6,298  | WEX Inc., (2)  | 474,680     |
|        | Total IT Services                                      | 4,291,643   |
|        | <b>Leisure Equipment &amp; Products 0.0%</b>           |             |
| 7,560  | Brunswick Corporation                                  | 219,920     |
|        | <b>Life Sciences Tools &amp; Services 0.1%</b>         |             |
| 10,600 | Agilent Technologies, Inc.                             | 433,964     |
| 7,819  | Parexel International Corporation                      | 231,364     |
| 11,980 | Thermo Fisher Scientific, Inc.                         | 764,084     |
|        | Total Life Sciences Tools & Services                   | 1,429,412   |
|        | <b>Machinery 0.4%</b>                                  |             |
| 12,053 | Actuant Corporation                                    | 336,399     |
| 19,828 | Briggs & Stratton Corporation                          | 417,974     |
| 6,210  | Cummins Inc.   | 672,854     |
| 34,460 | Harsco Corporation                                     | 809,810     |
| 4,364  | Hyster-Yale Materials Handling Inc.                    | 212,963     |
| 9,760  | Ingersoll Rand Company Limited, Class A                | 468,090     |
| 14,770 | Joy Global Inc.  | 942,031     |
| 5,820  | Lincoln Electric Holdings Inc.                         | 283,318     |
| 36,977 | Mueller Water Products Inc.                            | 207,441     |
| 9,090  | Timken Company   | 434,775     |
| 3,390  | Wabtec Corporation                                     | 296,761     |
|        | Total Machinery  | 5,082,416   |
|        | <b>Media 0.2%</b>                                      |             |
| 39,690 | Comcast Corporation, Class A                           | 1,483,612   |
| 61,339 | Cumulus Media, Inc.                                    | 163,775     |
| 4,070  | Time Warner Cable, Class A                             | 395,563     |
| 14,530 | Walt Disney Company                                    | 723,449     |
|        | Total Media  | 2,766,399   |
|        | <b>Metals &amp; Mining 0.1%</b>                        |             |
| 3,672  | Kaiser Aluminum Corporation                            | 226,526     |
| 11,058 | Metals USA Holdings Corporation                        | 193,404     |
| 8,620  | Newmont Mining Corporation                             | 400,313     |
| 21,902 | Southern Copper Corporation                            | 829,210     |
|        | Total Metals & Mining                                  | 1,649,453   |
|        | <b>Multiline Retail 0.3%</b>                           |             |
| 14,180 | Macy's, Inc.   | 553,304     |
| 46,209 | Target Corporation                                     | 2,734,187   |

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|        |                                 |           |
|--------|---------------------------------|-----------|
|        | Total Multiline Retail          | 3,287,491 |
|        | <b>Multi-Utilities 0.3%</b>     |           |
| 14,360 | Ameren Corporation              | 441,139   |
| 55,221 | CenterPoint Energy, Inc.        | 1,063,004 |
| 18,913 | Consolidated Edison, Inc.       | 1,050,428 |
| 11,800 | DTE Energy Company              | 708,590   |
|        | Public Service Enterprise Group |           |
| 29,324 | Incorporated                    | 897,314   |
|        | Total Multi-Utilities           | 4,160,475 |

Nuveen Investments

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| Shares | Description (1)                                      | Value        |
|--------|--|--------------|
|        | <b>Oil, Gas &amp; Consumable Fuels 0.8%</b>          |              |
| 23,012 | Chevron Corporation                                  | \$ 2,488,518 |
| 28,950 | Exxon Mobil Corporation                              | 2,505,623    |
| 39,483 | Halcon Resources Corporation, (2)                    | 273,222      |
| 22,266 | Marathon Oil Corporation                             | 682,676      |
| 26,215 | Marathon Petroleum Corporation                       | 1,651,545    |
| 9,640  | Murphy Oil Corporation                               | 574,062      |
| 11,404 | Oasis Petroleum Inc.                                 | 362,647      |
| 20,100 | Phillips 66  | 1,067,310    |
| 4,364  | Rosetta Resources, Inc.                              | 197,951      |
| 11,472 | Stone Energy Corporation                             | 235,405      |
| 6,526  | Western Refining Inc.                                | 183,968      |
|        | Total Oil, Gas & Consumable Fuels                    | 10,222,927   |
|        | <b>Paper &amp; Forest Products 0.1%</b>              |              |
| 8,683  | Clearwater Paper Corporation, (2)                    | 340,026      |
| 27,020 | International Paper Company                          | 1,076,477    |
| 4,881  | Schweitzer-Mauduit International Inc.                | 190,505      |
|        | Total Paper & Forest Products                        | 1,607,008    |
|        | <b>Personal Products 0.0%</b>                        |              |
| 20,522 | Prestige Brands Holdings Inc., (2)                   | 411,056      |
|        | <b>Pharmaceuticals 0.6%</b>                          |              |
| 12,410 | Bristol-Myers Squibb Company                         | 404,442      |
| 12,590 | Eli Lilly and Company                                | 620,939      |
| 43,985 | Johnson & Johnson, (3)                               | 3,083,349    |
| 30,141 | Merck & Company Inc.                                 | 1,233,973    |
| 29,680 | Watson Pharmaceuticals Inc.                          | 2,552,480    |
|        | Total Pharmaceuticals                                | 7,895,183    |
|        | <b>Real Estate 0.6%</b>                              |              |
| 12,700 | Chesapeake Lodging Trust                             | 265,176      |
| 23,990 | Equity One Inc.                                      | 504,030      |
| 27,588 | iStar Financial Inc., (2)                            | 224,842      |
| 31,448 | Medical Properties Trust Inc.                        | 376,118      |
| 34,169 | Newcastle Investment Corporation                     | 296,587      |
| 37,870 | Omega Healthcare Investors Inc.                      | 903,200      |
| 19,473 | PennyMac Mortgage Investment Trust                   | 492,472      |
| 1,900  | Public Storage, Inc.                                 | 275,424      |
| 27,863 | Ramco-Gershenson Properties Trust                    | 370,857      |
| 13,930 | Rayonier Inc.  | 721,992      |
| 12,370 | Simon Property Group, Inc.                           | 1,955,573    |
| 5,431  | Sovran Self Storage Inc.                             | 337,265      |
| 14,040 | Tanger Factory Outlet Centers                        | 480,168      |
| 5,300  | Taubman Centers Inc.                                 | 417,216      |
| 21,555 | Two Harbors Investment Corporation                   | 238,829      |
|        | Total Real Estate                                    | 7,859,749    |
|        | <b>Real Estate Management &amp; Development 0.0%</b> |              |
| 12,355 | Forestar Real Estate Group Inc.                      | 214,112      |
|        | <b>Road &amp; Rail 0.2%</b>                          |              |
| 5,184  | Genesee & Wyoming Inc.                               | 394,399      |

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|        |                              |           |
|--------|------------------------------|-----------|
| 8,932  | Norfolk Southern Corporation | 552,355   |
| 11,940 | Union Pacific Corporation    | 1,501,097 |
|        | Total Road & Rail            | 2,447,851 |

Nuveen Investments

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Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Shares   | Description (1)                   | Value      |
|--|-----------------------------------|------------|
| <b>Semiconductors &amp; Equipment 0.4%</b>       |                                   |            |
| 19,390   | Avago Technologies Limited        | \$ 613,887 |
| 29,920   | Broadcom Corporation, Class A     | 993,643    |
| 82,688   | Intel Corporation, (3)            | 1,705,853  |
| 21,002   | Linear Technology Corporation     | 720,369    |
| 90,350   | NVIDIA Corporation                | 1,110,402  |
| 20,561   | Rudolph Technologies              | 276,545    |
| 43,585   | Silicon Image, Inc., (2)          | 216,182    |
| 12,780   | Skyworks Solutions Inc., (2)      | 259,434    |
|  | Total Semiconductors & Equipment  | 5,896,315  |
| <b>Software 0.7%</b>                             |                                   |            |
| 5,140  | Ansys Inc., (2)                   | 346,128    |
| 35,180   | Cadence Design Systems, Inc., (2) | 475,282    |
| 3,759  | CommVault Systems, Inc.           | 262,040    |
| 8,671  | Comverse Incorporated, (2)        | 247,384    |
| 3,500  | Fair Isaac Corporation            | 147,105    |
| 7,343  | Manhattan Associates Inc.         | 443,077    |
| 24,362   | Mentor Graphics Corporation       | 414,641    |
| 150,622  | Microsoft Corporation, (3)        | 4,026,126  |
| 73,150   | Oracle Corporation                | 2,437,358  |
| 3,326  | Sourcefire Inc., (2)              | 157,054    |
| 31,611   | TiVo, Inc.                        | 389,448    |
| 6,460  | VMware Inc.                       | 608,144    |
|  | Total Software                    | 9,953,787  |
| <b>Specialty Retail 0.6%</b>                     |                                   |            |
| 101,590  | American Eagle Outfitters, Inc.   | 2,083,611  |
| 5,313  | Ann Inc., (2)                     | 179,792    |
| 15,292   | Finish Line, Inc.                 | 289,478    |
| 27,930   | Home Depot, Inc.                  | 1,727,471  |
| 26,400   | Limited Brands, Inc.              | 1,242,384  |
| 3,844  | Lithia Motors Inc.                | 143,842    |
| 2,809  | Lumber Liquidators Inc., (2)      | 148,399    |
| 6,880  | PetSmart Inc.                     | 470,179    |
| 8,035  | Rent-A-Center Inc.                | 276,083    |
| 3,480  | Signet Jewelers Limited           | 185,832    |
| 2,679  | Vitamin Shoppe Inc., (2)          | 153,667    |
| 38,160   | Williams-Sonoma Inc.              | 1,670,263  |
|  | Total Specialty Retail            | 8,571,001  |
| <b>Textiles, Apparel &amp; Luxury Goods 0.2%</b> |                                   |            |
| 28,727   | Fifth & Pacific Companies Inc.    | 357,651    |
| 7,629  | Movado Group Inc.                 | 234,058    |
| 11,880   | Nike, Inc., Class B               | 613,008    |
| 8,330  | PVH Corporation                   | 924,713    |

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|        |   |                  |
|--------|---|------------------|
|        | Total Textiles, Apparel & Luxury Goods          | 2,129,430        |
|        | <b>Thriffs &amp; Mortgage Finance 0.0%</b>      |                  |
| 9,115  | Nationstar Mortgage Holdings, Incorporated, (2) | 282,383          |
| 4,103  | Ocwen Financial Corporation                     | 141,923          |
| 10,498 | Walker & Dunlop Inc., (2)                       | 174,897          |
|        | <b>Total Thriffs &amp; Mortgage Finance</b>     | <b>599,203</b>   |
|        | <b>Tobacco 0.1%</b>                             |                  |
| 10,913 | Philip Morris International                     | 912,763          |
| 9,810  | Reynolds American Inc.                          | 406,428          |
| 6,752  | Universal Corporation                           | 336,990          |
|        | <b>Total Tobacco</b>                            | <b>1,656,181</b> |

Nuveen Investments

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| Shares | Description (1)                                  | Value              |
|--------|--|--------------------|
|        | <b>Trading Companies &amp; Distributors 0.1%</b> |                    |
| 12,950 | CAI International Inc., (2)                      | \$ 284,253         |
| 13,779 | H&E Equipment Services, Inc.                     | 207,650            |
| 10,842 | SeaCube Container Leasing Limited                | 204,372            |
| 5,123  | United Rentals Inc.                              | 233,198            |
| 3,953  | Watsco Inc.                                      | 296,078            |
|        | Total Trading Companies & Distributors           | 1,225,551          |
|        | <b>Total Common Stocks (cost \$163,548,977)</b>  | <b>168,340,355</b> |

| Shares                 | Description (1)  | Coupon | Ratings (4)  | Value            |              |
|------------------------|--|--------|--------------|------------------|--------------|
|                        | <b>\$25 Par (or similar) Preferred Securities 0.1% (0.1% of Total Investments)</b> |        |              |                  |              |
|                        | <b>Commercial Banks 0.1%</b>   |        |              |                  |              |
| 44,580                 | Wells Fargo & Company, (3)   | 7.500% | BBB+         | \$ 1,523,744     |              |
|                        | <b>Total \$25 Par (or similar) Preferred Securities (cost \$1,505,790)</b>         |        |              | <b>1,523,744</b> |              |
| Principal Amount (000) | Description (1)  | Coupon | Maturity (5) | Ratings (4)      | Value        |
|                        | <b>Variable Rate Senior Loan Interests 99.8% (69.4% of Total Investments) (6)</b>  |        |              |                  |              |
|                        | <b>Aerospace &amp; Defense 0.3%</b>  |        |              |                  |              |
| \$ 3,500               | Hamilton Sundstrand, Term Loan B   | 5.000% | 12/05/19     | B+               | \$ 3,535,311 |
|                        | <b>Airlines 3.4%</b>   |        |              |                  |              |
| 17,000                 | Delta Air Lines, Inc., Term Loan B1  | 5.250% | 10/18/18     | Ba2              | 17,154,071   |
| 27,674                 | Delta Air Lines, Inc., Term Loan   | 5.500% | 4/20/17      | Ba2              | 28,026,230   |
| 44,674                 | Total Airlines   |        |              |                  | 45,180,301   |
|                        | <b>Auto Components 1.0%</b>  |        |              |                  |              |
| 12,841                 | Schaeffler AG, Term Loan B2  | 6.000% | 12/12/17     | Ba3              | 13,001,512   |
|                        | <b>Automobiles 2.0%</b>  |        |              |                  |              |
| 26,028                 | Chrysler Group LLC, Term Loan  | 6.000% | 5/24/17      | BB               | 26,635,191   |
|                        | <b>Biotechnology 1.1%</b>  |        |              |                  |              |
| 341                    | Alkermes, Inc., 2019 Term Loan   | 4.500% | 9/25/19      | BB               | 344,964      |
| 10,754                 | Grifols, Inc., Term Loan   | 4.500% | 6/01/17      | BB               | 10,873,251   |
| 3,958                  | Onex Carestream Finance LP, Term Loan  | 5.000% | 2/25/17      | BB-              | 3,955,643    |
| 15,053                 | Total Biotechnology  |        |              |                  | 15,173,858   |
|                        | <b>Chemicals 3.8%</b>  |        |              |                  |              |



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|        |  |             |          |    |            |
|--------|--|-------------|----------|----|------------|
| 15,086 | Ineos US Finance LLC, Term Loan B              | 6.500%      | 5/04/18  | B+ | 15,272,222 |
| 35,580 | Univar, Inc., Term Loan                        | 5.000%      | 6/30/17  | B+ | 35,569,943 |
| 50,666 | Total Chemicals                                |             |          |    | 50,842,165 |
|        | <b>Commercial Banks</b>                        | <b>0.2%</b> |          |    |            |
| 2,871  | Ocwen Financial Corporation, Initial Term Loan | 7.000%      | 9/01/16  | B1 | 2,885,354  |
|        | <b>Commercial Services &amp; Supplies</b>      | <b>1.5%</b> |          |    |            |
| 10,000 | ADS Waste Holdings, Inc., Term Loan B          | 5.250%      | 10/09/19 | B+ | 10,137,500 |
| 10,000 | Ceridian Corporation, Extended Term Loan       | 5.959%      | 5/09/17  | B1 | 10,005,000 |
| 20,000 | Total Commercial Services & Supplies           |             |          |    | 20,142,500 |

Nuveen Investments

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JQC

Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Principal Amount (000) | Description (1)   | Coupon  | Maturity (5) | Ratings (4) | Value        |
|------------------------|---|---------|--------------|-------------|--------------|
|                        | <b>Communications Equipment 2.2%</b>                        |         |              |             |              |
| \$ 4,066               | Avaya, Inc., Term Loan B3                                   | 4.812%  | 10/26/17     | B1          | \$ 3,589,604 |
| 25,186                 | Telesat Holdings, Inc., Term Loan B                         | 4.250%  | 3/28/19      | BB-         | 25,406,314   |
| 29,252                 | Total Communications Equipment                              |         |              |             | 28,995,918   |
|                        | <b>Computers &amp; Peripherals - 0.7%</b>                   |         |              |             |              |
| 10,000                 | Kronos Incorporated, Initial Term Loan, Second Lien         | 9.750%  | 4/30/20      | CCC+        | 10,050,000   |
|                        | <b>Consumer Finance 1.6%</b>                                |         |              |             |              |
| 9,019                  | NES Rentals Holdings, Inc., Extended Term Loan, Second Lien | 13.250% | 10/20/14     | Ba3         | 8,917,940    |
| 1,000                  | Residential Capital Corp, Term Loan A1                      | 5.000%  | 11/18/13     | Ba1         | 1,006,250    |
| 2,000                  | Residential Capital Corp, Term Loan A2                      | 6.750%  | 11/18/13     | BB          | 2,025,000    |
| 9,291                  | Royalty Pharma Finance Trust, Incremental Term Loan         | 4.000%  | 11/09/18     | Baa2        | 9,398,563    |
| 21,310                 | Total Consumer Finance                                      |         |              |             | 21,347,753   |
|                        | <b>Containers &amp; Packaging 2.3%</b>                      |         |              |             |              |
| 29,514                 | Reynolds Group Holdings, Inc., Term Loan                    | 4.750%  | 9/28/18      | B+          | 29,917,729   |
| 476                    | Sealed Air Corporation, Term Loan B1                        | 4.000%  | 10/03/18     | Ba1         | 483,311      |
| 29,990                 | Total Containers & Packaging                                |         |              |             | 30,401,040   |
|                        | <b>Distributors 1.6%</b>                                    |         |              |             |              |
| 20,895                 | HD Supply, Inc., Term Loan                                  | 7.250%  | 10/12/17     | B+          | 21,504,444   |
|                        | <b>Diversified Consumer Services 2.8%</b>                   |         |              |             |              |
| 12,101                 | Cengage Learning Acquisitions, Inc.,                        | 2.720%  | 7/03/14      | CCC+        | 9,570,189    |

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|        |  |        |          |      |            |
|--------|--|--------|----------|------|------------|
|        | Term Loan, DD1                                     |        |          |      |            |
| 27,718 | Laureate Education, Inc., Extended Term Loan       | 5.250% | 6/15/18  | B1   | 27,596,618 |
| 39,819 | Total Diversified Consumer Services                |        |          |      | 37,166,807 |
|        | <b>Diversified Financial Services 0.1%</b>         |        |          |      |            |
| 1,374  | NPC International, Inc., Term Loan B               | 4.500% | 12/28/18 | Ba3  | 1,388,077  |
| 108    | Pinafore LLC, Term Loan                            | 4.250% | 9/29/16  | BB   | 108,666    |
| 1,482  | Total Diversified Financial Services               |        |          |      | 1,496,743  |
|        | <b>Diversified Telecommunication Services 1.6%</b> |        |          |      |            |
| 21,316 | Intelsat Jackson Holdings, Ltd., Term Loan B1      | 4.500% | 4/02/18  | BB-  | 21,513,467 |
|        | <b>Electric Utilities 0.2%</b>                     |        |          |      |            |
| 2,664  | TXU Corporation, 2014 Term Loan                    | 3.746% | 10/10/14 | B2   | 2,032,785  |
|        | <b>Food &amp; Staples Retailing 1.2%</b>           |        |          |      |            |
| 9,800  | BJ Wholesale Club, Inc., Term Loan, First Lien     | 5.750% | 9/26/19  | B    | 9,948,754  |
| 500    | BJ Wholesale Club Inc., Term Loan, Second Lien     | 9.750% | 3/26/20  | CCC+ | 516,875    |
| 4,988  | Wendy's/Arby's Restaurants, Inc., Term Loan B      | 4.750% | 5/15/19  | BB-  | 5,044,502  |
| 15,288 | Total Food & Staples Retailing                     |        |          |      | 15,510,131 |
|        | <b>Food Products 0.9%</b>                          |        |          |      |            |
| 1,000  | AdvancePierre Foods, Inc., Term Loan, First Lien   | 5.750% | 7/10/17  | B1   | 1,013,125  |
| 9,000  | AdvancePierre Foods, Inc., Term Loan, Second Lien  | 9.500% | 10/10/17 | CCC+ | 9,225,000  |
| 2,157  | Del Monte Foods Company, Term Loan                 | 4.500% | 3/08/18  | Ba3  | 2,164,849  |
| 12,157 | Total Food Products                                |        |          |      | 12,402,974 |
|        | <b>Health Care Equipment &amp; Supplies 4.2%</b>   |        |          |      |            |
| 14,339 | Hologic, Inc., Term Loan B                         | 4.500% | 8/01/19  | BBB- | 14,528,754 |
| 8,910  | Kinetic Concepts, Inc., Term Loan C1               | 5.500% | 5/04/18  | Ba2  | 9,021,375  |
| 33,001 | United Surgical Partners International, Inc.,      | 6.000% | 4/03/19  | B1   | 33,386,064 |

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|        |                       |            |
|--------|-----------------------|------------|
|        | Term Loan, First Lien |            |
|        | Total Health Care     |            |
| 56,250 | Equipment & Supplies  | 56,936,193 |

Nuveen Investments

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| Principal Amount (000) | Description (1)                                    | Coupon      | Maturity (5) | Ratings (4) | Value        |
|------------------------|--|-------------|--------------|-------------|--------------|
|                        | <b>Health Care Providers &amp; Services</b>        | <b>6.5%</b> |              |             |              |
| \$ 1,628               | Community Health Systems, Inc., Extended Term Loan | 3.811%      | 1/25/17      | BB          | \$ 1,639,750 |
| 14,000                 | DaVita, Inc., New Term Loan B2                     | 4.000%      | 11/01/19     | Ba2         | 14,128,282   |
| 5,765                  | Emergency Medical Services, Term Loan              | 5.250%      | 5/25/18      | Ba3         | 5,815,407    |
| 37,329                 | Golden Living, Term Loan                           | 5.000%      | 5/04/18      | B1          | 35,182,633   |
| 371                    | HCA, Inc., Tranche B2, Term Loan                   | 3.561%      | 3/31/17      | BB          | 372,618      |
| 9,975                  | IMS Health Incorporated, Tranche B, Term Loan      | 4.500%      | 8/26/17      | BB-         | 10,053,230   |
| 13,964                 | National Mentor Holdings, Inc., Term Loan B        | 6.500%      | 2/09/17      | B+          | 13,940,987   |
| 4,743                  | Select Medical Corporation, Term Loan              | 5.500%      | 6/01/18      | BB-         | 4,770,514    |
| 993                    | Select Medical Corporation, Tranche B, Term Loan A | 5.500%      | 6/01/18      | BB-         | 1,001,184    |
| 88,768                 | Total Health Care Providers & Services             |             |              |             | 86,904,605   |
|                        | <b>Health Care Technology</b>                      | <b>2.6%</b> |              |             |              |
| 20,809                 | Emdeon Business Services LLC, Term Loan B1         | 5.000%      | 11/02/18     | BB-         | 21,045,441   |
| 14,000                 | Quintiles Transnational Corporation, Term Loan     | 7.500%      | 2/28/17      | B           | 14,227,500   |
| 34,809                 | Total Health Care Technology                       |             |              |             | 35,272,941   |
|                        | <b>Hotels, Restaurants &amp; Leisure</b>           | <b>5.0%</b> |              |             |              |
| 2,970                  | 24 Hour Fitness Worldwide, Inc., New Term Loan     | 7.500%      | 4/22/16      | Ba3         | 2,998,496    |
| 177                    | Venetian Casino Resort LLC, Delayed Term Loan      | 2.760%      | 11/23/16     | BBB-        | 177,464      |
| 231                    | Venetian Casino Resort LLC, Tranche B, Term Loan   | 2.760%      | 11/23/16     | BBB-        | 232,231      |
| 2,850                  |  | 6.000%      | 12/17/15     | BB-         | 2,885,625    |

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Boyd Gaming  
Corporation,  
Increased Term Loan  
B

|  |  |        |        |          |     |            |
|--|--|--------|--------|----------|-----|------------|
|  | Caesars<br>Entertainment<br>Operating Company,<br>Inc., Term Loan B6 | 47,595 | 5.460% | 1/28/18  | B   | 42,633,075 |
|  | CCM Merger, Inc.<br>Term Loan  | 2,066  | 6.000% | 3/01/17  | B+  | 2,074,110  |
|  | Landry's Restaraunts,<br>Inc., Term Loan B                           | 10,208 | 6.500% | 4/24/18  | B+  | 10,335,461 |
|  | MGM Resorts<br>International Term<br>Loan                            | 6,500  | 4.250% | 12/20/19 | Ba2 | 6,579,222  |
|  | Total Hotels,<br>Restaurants &<br>Leisure                            | 72,597 |        |          |     | 67,915,684 |
|  | <b>Household Durables 1.0%</b>                                       |        |        |          |     |            |
|  | AOT Bedding Super<br>Holdings LLC, Term<br>Loan B, DD1               | 13,500 | 5.000% | 10/01/19 | B+  | 13,538,434 |
|  | <b>Household Products 0.0%</b>                                       |        |        |          |     |            |
|  | Visant Corporation,<br>Term Loan                                     | 130    | 5.250% | 12/22/16 | BB- | 118,432    |
|  | <b>Independent Power Producers &amp; Energy Traders 0.1%</b>         |        |        |          |     |            |
|  | AES Corporation,<br>Term Loan  | 1,175  | 4.250% | 5/29/18  | BB+ | 1,189,640  |
|  | <b>Insurance 0.6%</b>  |        |        |          |     |            |
|  | USI Holdings<br>Corporation, Term<br>Loan B, WI/DD                   | 8,000  | TBD    | TBD      | B1  | 7,993,336  |
|  | <b>Internet &amp; Catalog Retail 1.0%</b>                            |        |        |          |     |            |
|  | Burlington Coat<br>Factory Warehouse<br>Corporation, Term<br>Loan B1 | 13,665 | 5.500% | 2/23/17  | B   | 13,811,762 |
|  | <b>Internet Software &amp; Services 2.7%</b>                         |        |        |          |     |            |
|  | Go Daddy Operating<br>Co. LLC, Term Loan,<br>Tranche B1              | 2,267  | 5.500% | 12/17/18 | Ba3 | 2,273,181  |
|  | Sabre, Inc., Extended<br>Term Loan, First Lien                       | 31,872 | 5.962% | 9/30/17  | B1  | 32,014,533 |
|  | Web.com, Term<br>Loan, First Lien                                    | 2,231  | 5.500% | 12/27/17 | Ba3 | 2,251,829  |
|  | Total Internet<br>Software & Services                                | 36,370 |        |          |     | 36,539,543 |
|  | <b>IT Services 2.7%</b>  |        |        |          |     |            |
|  | First Data<br>Corporation,<br>Extended Term Loan                     | 3,500  | 4.211% | 3/23/18  | B+  | 3,341,286  |

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|        |  |        |         |    |            |
|--------|--|--------|---------|----|------------|
| 11,463 | Frac Tech International LLC, Term Loan | 8.500% | 5/06/16 | B+ | 9,564,160  |
| 14,233 | SRA International, Term Loan           | 6.500% | 7/20/18 | B1 | 13,610,733 |
| 10,348 | Zayo Group LLC, Term Loan B            | 5.250% | 7/02/19 | B1 | 10,472,176 |
| 39,544 | Total IT Services                      |        |         |    | 36,988,355 |

Nuveen Investments

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JQC

Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Principal Amount (000) | Description (1)  | Coupon       | Maturity (5) | Ratings (4) | Value      |
|------------------------|--|--------------|--------------|-------------|------------|
|                        | <b>Leisure Equipment &amp; Products</b>                            | <b>0.1%</b>  |              |             |            |
| \$ 696                 | Cedar Fair LP, Term Loan   | 4.000%       | 12/15/17     | BB          | \$ 703,466 |
|                        | <b>Machinery</b>   | <b>0.3%</b>  |              |             |            |
| 4,500                  | Navistar International Corporation, Term Loan B                    | 7.000%       | 8/17/17      | Ba2         | 4,533,750  |
|                        | <b>Media</b>   | <b>10.7%</b> |              |             |            |
| 675                    | Tribune Company, Term Loan B                                       | 0.000%       | 6/04/14      | Ca          | 563,063    |
| 4,378                  | Univision Communications, Inc., Term Loan                          | 4.462%       | 3/31/17      | B+          | 4,315,080  |
| 8,394                  | Atlantic Broadband Finance LLC, Term Loan B                        | 4.500%       | 9/20/19      | Ba3         | 8,484,968  |
| 14,803                 | Cengage Learning Acquisitions, Inc., Tranche B, Extended Term Loan | 5.720%       | 7/04/17      | CCC+        | 11,694,313 |
| 1,629                  | Charter Communications Operating Holdings LLC, Term Loan C         | 3.470%       | 9/06/16      | Baa3        | 1,639,891  |
| 15,840                 | Cumulus Media, Inc., Term Loan B, First Lien                       | 4.500%       | 9/18/18      | Ba2         | 15,913,772 |
| 12,029                 | Cumulus Media, Inc., Term Loan, Second Lien                        | 7.500%       | 9/16/19      | B2          | 12,419,942 |
| 36,641                 | EMI Music Publishing LLC, Term Loan B                              | 5.500%       | 6/29/18      | BB-         | 37,126,367 |
| 2,000                  | Hubbard Radio LLC, Term Loan, Second Lien                          | 8.750%       | 4/30/18      | CCC+        | 2,040,000  |
| 19,000                 | Tribune Company, Exit Term Loan B, WI/DD                           | TBD          | TBD          | BB+         | 19,002,375 |
| 15,000                 | UPC Financing Partnership, Term Loan AB                            | 4.000%       | 1/31/21      | Ba3         | 14,995,320 |



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|         |   |        |          |      |             |
|---------|---|--------|----------|------|-------------|
| 15,900  | WideOpenWest Finance LLC, Term Loan B                     | 6.250% | 7/12/18  | B1   | 16,107,549  |
| 146,289 | Total Media   |        |          |      | 144,302,640 |
|         | <b>Metals &amp; Mining 0.5%</b>                           |        |          |      |             |
| 6,366   | FMG Resources, Ltd., Term Loan B                          | 5.250% | 10/18/17 | BB+  | 6,430,111   |
|         | <b>Multiline Retail 1.5%</b>                              |        |          |      |             |
| 1,125   | 99 Cents Only Stores, Term Loan B1                        | 5.250% | 1/11/19  | B+   | 1,139,282   |
| 19,150  | Neiman Marcus Group, Inc., Term Loan                      | 4.750% | 5/16/18  | B+   | 19,211,165  |
| 20,275  | Total Multiline Retail                                    |        |          |      | 20,350,447  |
|         | <b>Oil, Gas &amp; Consumable Fuels 1.8%</b>               |        |          |      |             |
| 3,970   | CCS Income Trust, Add on Term Loan B                      | 6.500% | 11/14/14 | B1   | 3,973,307   |
| 4,793   | Crestwood Holdings, Inc., Term Loan B                     | 9.750% | 3/26/18  | CCC+ | 4,872,377   |
| 4,300   | Energy Transfer Partners LP, Term Loan B                  | 3.750% | 3/24/17  | BB   | 4,339,977   |
| 8,000   | Plains Exploration and Production Company, Term Loan      | 4.000% | 10/15/19 | Ba1  | 8,036,664   |
| 2,917   | Samson Investment Company, Initial Term Loan, Second Lien | 6.000% | 9/25/18  | B+   | 2,947,656   |
| 23,980  | Total Oil, Gas & Consumable Fuels                         |        |          |      | 24,169,981  |
|         | <b>Personal Products 0.1%</b>                             |        |          |      |             |
| 1,151   | Prestige Brands, Inc., Term Loan 1                        | 5.261% | 1/27/19  | BB-  | 1,166,458   |
|         | <b>Pharmaceuticals 7.1%</b>                               |        |          |      |             |
| 22,139  | Bausch & Lomb, Inc., Term Loan B                          | 5.250% | 5/17/19  | B+   | 22,368,041  |
| 40,201  | Pharmaceutical Product Development, Inc., Term Loan       | 6.250% | 12/05/18 | Ba3  | 40,891,665  |
| 6,584   | Quintiles Transnational Corporation, Term Loan B1         | 4.500% | 6/08/18  | BB-  | 6,583,500   |
| 8,348   | Quintiles Transnational Corporation, Term Loan B, DD1     | 4.500% | 6/08/18  | BB-  | 8,415,876   |

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|        |   |        |          |      |            |
|--------|---|--------|----------|------|------------|
| 10,000 | Valeant<br>Pharmaceuticals<br>International, Inc.,<br>Tranche B, Term<br>Loan C | 4.250% | 9/27/19  | BBB- | 10,080,000 |
| 1,500  | Valeant<br>Pharmaceuticals<br>International, Inc.,<br>Tranche B, Term<br>Loan D | 4.250% | 2/13/19  | BBB- | 1,510,624  |
| 881    | Warner Chilcott<br>Company LLC, Term<br>Loan B1 Additional                      | 4.250% | 3/15/18  | BBB- | 887,536    |
| 2,319  | Warner Chilcott<br>Corporation, Term<br>Loan B1                                 | 4.250% | 3/15/18  | BBB- | 2,337,031  |
| 1,160  | Warner Chilcott<br>Corporation, Term<br>Loan B2                                 | 4.250% | 3/15/18  | BBB- | 1,168,515  |
| 1,595  | Warner Chilcott<br>Corporation, Term<br>Loan B3                                 | 4.250% | 3/15/18  | BBB- | 1,606,709  |
| 94,727 | Total<br>Pharmaceuticals  |        |          |      | 95,849,497 |
|        | <b>Real Estate 3.5%</b>   |        |          |      |            |
| 35,000 | iStar Financial, Inc.,<br>Term Loan, Tranche<br>A2, First Lien                  | 7.000% | 3/19/17  | BB-  | 36,706,250 |
| 9,640  | iStar Financial, Inc.,<br>Term Loan   | 5.750% | 10/15/17 | BB-  | 9,760,307  |
| 44,640 | Total Real Estate   |        |          |      | 46,466,557 |

Nuveen Investments

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| Principal Amount (000) | Description (1)   | Coupon  | Maturity (5) | Ratings (4) | Value        |
|------------------------|---|---------|--------------|-------------|--------------|
|                        | <b>Real Estate Management &amp; Development</b>           |         | <b>2.4%</b>  |             |              |
| \$ 1,191               | Realogy Corporation, Delayed Term Loan                    | 4.461%  | 10/10/16     | B+          | \$ 1,196,439 |
| 29,865                 | Capital Automotive LP, Tranche B, Term Loan               | 5.250%  | 3/11/17      | Ba3         | 30,256,810   |
| 1,339                  | LNR Property Corporation, Term Loan                       | 4.750%  | 4/29/16      | BB+         | 1,347,954    |
| 32,395                 | Total Real Estate Management & Development                |         |              |             | 32,801,203   |
|                        | <b>Road &amp; Rail</b>                                    |         | <b>0.2%</b>  |             |              |
| 3,188                  | Swift Transportation Company, Inc., Term Loan, Tranche B2 | 5.000%  | 12/21/17     | BB          | 3,224,251    |
|                        | <b>Semiconductors &amp; Equipment</b>                     |         | <b>4.1%</b>  |             |              |
| 2,981                  | Freescale Semiconductor, Inc., Term Loan, Tranche B1      | 4.464%  | 12/01/16     | B1          | 2,930,891    |
| 17,860                 | Freescale Semiconductor, Inc., Term Loan, Tranche B2      | 6.000%  | 2/28/19      | B1          | 17,770,725   |
| 983                    | NXP Semiconductor LLC, Term Loan                          | 4.500%  | 3/03/17      | B2          | 992,478      |
| 13,607                 | NXP Semiconductor LLC, Tranche A2, Term Loan              | 5.500%  | 3/03/17      | B+          | 13,902,083   |
| 19,850                 | NXP Semiconductor LLC, Tranche B, Term Loan               | 5.250%  | 3/19/19      | B+          | 20,052,629   |
| 55,281                 | Total Semiconductors & Equipment                          |         |              |             | 55,648,806   |
|                        | <b>Software</b>   |         | <b>8.7%</b>  |             |              |
| 5,900                  | BlackBoard, Inc., Term Loan, First Lien                   | 7.500%  | 10/04/18     | B+          | 5,970,414    |
| 23,000                 | BlackBoard, Inc., Term Loan, Second                       | 11.500% | 4/04/19      | CCC+        | 22,094,375   |

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|         |   |         |          |      |             |
|---------|---|---------|----------|------|-------------|
|         | Lien  |         |          |      |             |
| 31,207  | Datatel Parent Corp, Term Loan B, DD1                         | 6.250%  | 7/19/18  | B+   | 31,645,792  |
| 22,636  | Infor Enterprise Applications, Term Loan B                    | 5.250%  | 4/05/18  | Ba3  | 22,887,520  |
| 790     | IPC Systems, Inc., Extended Term Loan, Tranche B1, First Lien | 7.750%  | 7/31/17  | B1   | 785,794     |
| 6,365   | IPC Systems, Inc., Term Loan, Second Lien                     | 5.462%  | 6/01/15  | CCC  | 5,147,923   |
| 15,000  | Misys PLC, Term Loan, Second Lien                             | 12.000% | 6/12/19  | Caa1 | 15,512,505  |
| 2,400   | RedPrairie Corporation, Term Loan, First Lien                 | 6.750%  | 12/14/18 | B+   | 2,400,430   |
| 10,000  | Vertafore, Inc., Term Loan, Second Lien                       | 9.750%  | 10/29/17 | CCC+ | 10,050,000  |
| 117,298 | Total Software  |         |          |      | 116,494,753 |
|         | <b>Specialty Retail 2.8%</b>                                  |         |          |      |             |
| 13,681  | Michaels Stores, Inc., Term Loan B2                           | 4.813%  | 7/31/16  | BB-  | 13,822,653  |
| 1,768   | Jo-Ann Stores, Inc., Term Loan                                | 4.750%  | 3/16/18  | B+   | 1,777,647   |
| 2,810   | Lord & Taylor Holdings LLC, Term Loan                         | 5.750%  | 1/11/19  | BB   | 2,840,557   |
| 9,601   | Party City Corporation, Term Loan                             | 5.750%  | 7/27/19  | B1   | 9,717,954   |
| 9,762   | Tempur-Pedic International, Inc., Term Loan B, WI/DD          | TBD     | TBD      | BB   | 9,898,164   |
| 37,622  | Total Specialty Retail  |         |          |      | 38,056,975  |
|         | <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>              |         |          |      |             |
| 7,000   | Phillips-Van Heusen Corporation, Term Loan, WI/DD             | TBD     | TBD      | BBB- | 7,051,247   |
|         | <b>Wireless Telecommunication Services 0.6%</b>               |         |          |      |             |
| 8,054   | Clear Channel Communications, Inc., Tranche B, Term Loan, DD1 | 3.862%  | 1/29/16  | CCC+ | 6,694,948   |
| 1,496   |   | 7.750%  | 7/31/17  | B1   | 1,457,910   |

|                                   |   |   |                 |                        |                      |
|-----------------------------------|---|---|-----------------|------------------------|----------------------|
|                                   | IPC Systems, Inc.,<br>Term Loan,<br>Tranche C, First<br>Lien                        |   |                 |                        |                      |
| 9,550                             | Total Wireless<br>Telecommunication<br>Services                                     |   |                 |                        | 8,152,858            |
| <b>\$1,349,572</b>                | <b>Total Variable<br/>Rate Senior Loan<br/>Interests (cost<br/>\$1,327,514,464)</b> |   |                 |                        | <b>1,342,430,179</b> |
| <b>Principal<br/>Amount (000)</b> | <b>Description (1)</b>  | <b>Coupon</b>                             | <b>Maturity</b> | <b>Ratings<br/>(4)</b> | <b>Value</b>         |
|                                   | <b>Corporate Bonds</b>  | <b>28.7% (20.0% of Total Investments)</b> |                 |                        |                      |
|                                   | <b>Airlines</b>   | <b>0.4%</b>                               |                 |                        |                      |
| \$ 4,445                          | United Airlines Inc.,<br>144A   | 9.875%                                    | 8/01/13         | BB                     | \$ 4,470,003         |
| 900                               | United Airlines Inc.,<br>144A   | 12.000%                                   | 11/01/13        | BB                     | 906,750              |
| 5,345                             | Total Airlines  |   |                 |                        | 5,376,753            |

Nuveen Investments  
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JQC

Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Principal Amount (000) | Description (1)                                      | Coupon      | Maturity | Ratings (4) | Value        |
|------------------------|--|-------------|----------|-------------|--------------|
|                        | <b>Commercial Services &amp; Supplies</b>            | <b>1.9%</b> |          |             |              |
| \$ 10,000              | Ceridian Corporation, 144A                           | 8.875%      | 7/15/19  | B1          | \$10,850,000 |
| 8,500                  | Ceridian Corporation                                 | 11.250%     | 11/15/15 | CCC         | 8,500,000    |
| 6,000                  | Ceridian Corporation                                 | 12.250%     | 11/15/15 | CCC         | 6,015,000    |
| 24,500                 | Total Commercial Services & Supplies                 |             |          |             | 25,365,000   |
|                        | <b>Communications Equipment</b>                      | <b>2.2%</b> |          |             |              |
| 7,250                  | Avaya Inc.   | 9.750%      | 11/01/15 | CCC+        | 6,452,500    |
| 26,450                 | Avaya Inc.   | 10.125%     | 11/01/15 | CCC+        | 23,672,750   |
| 33,700                 | Total Communications Equipment                       |             |          |             | 30,125,250   |
|                        | <b>Containers &amp; Packaging</b>                    | <b>0.1%</b> |          |             |              |
| 600                    | Boise Paper Holdings Company                         | 8.000%      | 4/01/20  | BB          | 663,000      |
|                        | <b>Distributors</b>                                  | <b>1.2%</b> |          |             |              |
| 8,000                  | HD Supply Inc., 144A                                 | 8.125%      | 4/15/19  | B+          | 9,120,000    |
| 6,650                  | HD Supply Inc., 144A                                 | 11.500%     | 7/15/20  | CCC+        | 7,489,563    |
| 14,650                 | Total Distributors                                   |             |          |             | 16,609,563   |
|                        | <b>Diversified Telecommunication Services</b>        | <b>4.1%</b> |          |             |              |
| 3,200                  | IntelSat Bermuda Limited                             | 11.250%     | 2/04/17  | CCC+        | 3,384,000    |
| 26,200                 | IntelSat Bermuda Limited                             | 11.500%     | 2/04/17  | CCC+        | 27,837,500   |
| 21,352                 | Level 3 Communications Inc.                          | 11.875%     | 2/01/19  | B-          | 24,608,180   |
| 50,752                 | Total Diversified Telecommunication Services         |             |          |             | 55,829,680   |
|                        | <b>Electric Utilities</b>                            | <b>0.3%</b> |          |             |              |
| 3,500                  | Energy Future Intermediate Holding Company LLC, 144A | 11.750%     | 3/01/22  | B           | 3,885,000    |
|                        | <b>Electronic Equipment &amp; Instruments</b>        | <b>0.1%</b> |          |             |              |
| 1,200                  | Kemet Corporation                                    | 10.500%     | 5/01/18  | B+          | 1,183,500    |
|                        | <b>Health Care Equipment &amp; Supplies</b>          | <b>4.2%</b> |          |             |              |
| 4,500                  | Apria Healthcare Group Inc.                          | 12.375%     | 11/01/14 | B           | 4,455,000    |
| 23,300                 | Chiron Merger Sub Inc., 144A                         | 10.500%     | 11/01/18 | B           | 24,435,875   |
| 14,000                 |  | 12.500%     | 11/01/19 | CCC+        | 13,317,500   |

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|        |   |             |          |      |            |
|--------|---|-------------|----------|------|------------|
|        | Chiron Merger Sub<br>Inc., 144A                       |             |          |      |            |
| 10,500 | DJO Finance LLC /<br>DJO Finance<br>Corporation, 144A | 8.750%      | 3/15/18  | B-   | 11,471,250 |
| 3,000  | Merge Healthcare<br>Inc.                              | 11.750%     | 5/01/15  | B+   | 3,221,250  |
| 55,300 | Total Health Care<br>Equipment &<br>Supplies          |             |          |      | 56,900,875 |
|        | <b>Health Care Providers &amp; Services</b>           | <b>2.5%</b> |          |      |            |
| 14,705 | Apria Healthcare<br>Group Inc.                        | 11.250%     | 11/01/14 | BB   | 15,201,294 |
| 600    | Aurora Diagnostics<br>Holdings LLC                    | 10.750%     | 1/15/18  | B3   | 528,000    |
| 450    | Capella Healthcare<br>Inc.                            | 9.250%      | 7/01/17  | B    | 482,625    |
| 2,500  | HCA Inc.  | 8.500%      | 4/15/19  | BB+  | 2,787,500  |
| 13,000 | lasis Healthcare<br>Capital Corporation               | 8.375%      | 5/15/19  | CCC+ | 12,285,000 |
| 1,500  | Tenet Healthcare<br>Corporation                       | 10.000%     | 5/01/18  | BB   | 1,706,250  |
| 32,755 | Total Health Care<br>Providers & Services             |             |          |      | 32,990,669 |
|        | <b>Hotels, Restaurants &amp; Leisure</b>              | <b>0.4%</b> |          |      |            |
| 2,250  | Harrah's Operating<br>Company, Inc.                   | 11.250%     | 6/01/17  | B    | 2,410,313  |
| 2,000  | MGM Resorts<br>International Inc.                     | 7.750%      | 3/15/22  | B+   | 2,140,000  |
| 600    | Penn National<br>Gaming Inc.                          | 8.750%      | 8/15/19  | Ba2  | 684,000    |
| 4,850  | Total Hotels,<br>Restaurants &<br>Leisure             |             |          |      | 5,234,313  |
|        | <b>Household Products</b>                             | <b>0.9%</b> |          |      |            |
| 10,950 | Spectrum Brands<br>Inc.                               | 9.500%      | 6/15/18  | Ba3  | 12,428,250 |

Nuveen Investments  
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| Principal Amount (000)                      | Description (1)                                | Coupon  | Maturity | Ratings (4) | Value        |
|---|--|---------|----------|-------------|--------------|
| <b>IT Services 0.5%</b>                     |  |         |          |             |              |
| \$ 2,600                                    | First Data Corporation                         | 9.875%  | 9/24/15  | B-          | \$ 2,652,000 |
| 3,474                                       | First Data Corporation                         | 10.550% | 9/24/15  | B-          | 3,556,453    |
| 6,074                                       | Total IT Services                              |         |          |             | 6,208,453    |
| <b>Machinery 0.1%</b>                       |  |         |          |             |              |
| 1,800                                       | Titan International Inc.                       | 7.875%  | 10/01/17 | B+          | 1,912,500    |
| <b>Media 5.5%</b>                           |  |         |          |             |              |
| 300   | Clear Channel Communications, Inc., 144A       | 5.500%  | 9/15/14  | CCC-        | 279,750      |
| 5,050                                       | Clear Channel Communications, Inc.             | 10.750% | 8/01/16  | CCC-        | 3,812,750    |
| 22,000                                      | Clear Channel Communications, Inc.             | 11.000% | 8/01/16  | CCC-        | 16,665,000   |
| 8,909                                       | Clear Channel Communications, Inc., DD1        | 9.000%  | 12/15/19 | CCC+        | 8,151,735    |
| 22,750                                      | WideOpenWest Finance Capital Corporation, 144A | 10.250% | 7/15/19  | CCC+        | 24,171,875   |
| 17,950                                      | WMG Acquisition Group                          | 11.500% | 10/01/18 | B-          | 20,732,250   |
| 76,959                                      | Total Media                                    |         |          |             | 73,813,360   |
| <b>Metals &amp; Mining 0.1%</b>             |  |         |          |             |              |
| 725   | Molycorp Inc., 144A                            | 10.000% | 6/01/20  | B3          | 674,250      |
| <b>Municipal 0.0%</b>                       |  |         |          |             |              |
| 600   | Tops Markets                                   | 10.125% | 10/15/15 | B+          | 633,000      |
| <b>Oil, Gas &amp; Consumable Fuels 0.3%</b> |  |         |          |             |              |
| 600   | CONSOL Energy Inc.                             | 8.000%  | 4/01/17  | BB          | 649,500      |
| 600   | CONSOL Energy Inc.                             | 8.250%  | 4/01/20  | BB          | 649,500      |
| 1,200                                       | Genesis Energy LP                              | 7.875%  | 12/15/18 | B           | 1,281,000    |
| 1,050                                       | Western Refining Inc.                          | 11.250% | 6/15/17  | BB          | 1,148,438    |
| 3,450                                       | Total Oil, Gas & Consumable Fuels              |         |          |             | 3,728,438    |
| <b>Pharmaceuticals 1.6%</b>                 |  |         |          |             |              |
| 86  | Angiotech Pharmaceuticals Inc.                 | 5.000%  | 12/01/13 | N/R         | 86,000       |
| 1,077                                       | Angiotech Pharmaceuticals Inc.                 | 9.000%  | 12/01/16 | N/R         | 1,087,770    |
| 9,000                                       |  | 9.375%  | 10/15/17 | CCC+        | 9,450,000    |



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|                   |  |         |          |      |                    |
|-------------------|--|---------|----------|------|--------------------|
|                   | Jaguar Holding<br>Company I, 144A      |         |          |      |                    |
| 9,750             | Warner Chilcott<br>Company LLC         | 7.750%  | 9/15/18  | BB-  | 10,383,750         |
|                   | Total                                  |         |          |      |                    |
| 19,913            | Pharmaceuticals                        |         |          |      | 21,007,520         |
|                   | <b>Real Estate 0.1%</b>                |         |          |      |                    |
|                   | Entertainment                          |         |          |      |                    |
| 1,200             | Properties Trust                       | 7.750%  | 7/15/20  | Baa3 | 1,386,875          |
|                   | <b>Software 0.7%</b>                   |         |          |      |                    |
|                   | Emdeon                                 |         |          |      |                    |
| 2,000             | Incorporated                           | 11.000% | 12/31/19 | CCC+ | 2,310,000          |
| 3,000             | Infor Us Inc.                          | 11.500% | 7/15/18  | B-   | 3,510,000          |
| 3,375             | Infor Us Inc.                          | 9.375%  | 4/01/19  | B-   | 3,788,438          |
| 8,375             | Total Software                         |         |          |      | 9,608,438          |
|                   | <b>Specialty Retail 1.5%</b>           |         |          |      |                    |
|                   | 99 Cents Only                          |         |          |      |                    |
| 7,000             | Stores                                 | 11.000% | 12/15/19 | CCC+ | 7,980,000          |
| 1,350             | Claire's Stores, Inc.                  | 9.250%  | 6/01/15  | CCC  | 1,257,187          |
| 1,200             | Claire's Stores, Inc.                  | 10.500% | 6/01/17  | CCC  | 1,040,999          |
|                   | Claire's Stores, Inc.,<br>144A         |         |          |      |                    |
| 9,500             |  | 9.000%  | 3/15/19  | B    | 10,188,750         |
| 19,050            | Total Specialty<br>Retail              |         |          |      | 20,466,936         |
|                   | <b>Total Corporate<br/>Bonds (cost</b> |         |          |      |                    |
| <b>\$ 376,248</b> | <b>\$376,963,353)</b>                  |         |          |      | <b>386,031,623</b> |

Nuveen Investments

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JQC

Nuveen Credit Strategies Income Fund (continued)

Portfolio of INVESTMENTS December 31, 2012

| Principal Amount (000) | Description (1)   | Coupon                                  | Maturity | Value                  |
|------------------------|---|---|----------|------------------------|
|                        | <b>Short-Term Investments</b>   | <b>2.6% (1.8% of Total Investments)</b> |          |                        |
| \$ 35,291              | Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/31/12, repurchase price \$35,291,415, collateralized by \$36,020,000 U.S. Treasury Bills, 0.000%, due 6/16/13, value \$36,001,990 | 0.010%                                  | 1/02/13  | \$ 35,291,395          |
|                        | <b>Total Short-Term Investments (cost \$35,291,395)</b>   |   |          | <b>35,291,395</b>      |
|                        | <b>Total Investments (cost \$1,904,823,979)</b>   |   |          | <b>1,933,617,296</b>   |
|                        | <b>143.7%</b>   |   |          |                        |
|                        | <b>Borrowings (41.7)% (7), (8)</b>  |   |          | <b>(561,000,000)</b>   |
|                        | <b>Other Assets Less Liabilities (2.0)% (9)</b>   |   |          | <b>(26,959,843)</b>    |
|                        | <b>Net Assets Applicable to Common Shares 100%</b>  |   |          | <b>\$1,345,657,453</b> |

Investments in Derivatives as of December 31, 2012

**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) (9) |
|--------------|-----------------|--------------------------------|---------------------|-------------|------------------------------|------------------|--|
| JPMorgan     | \$103,075,000   | Receive                        | 1-Month USD-LIBOR   | 1.193%      | Monthly                      | 3/21/14          | \$ (1,231,111)                             |
|              | 103,075,000     | Receive                        |                     | 2.064%      | Monthly                      | 3/21/16          | (5,471,134)                                |

Morgan  
Stanley1-Month  
USD-LIBOR**\$ (6,702,245)**

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

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

(4) Ratings (not covered by the report of independent registered public accounting firm): 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) Senior Loans generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a borrower to prepay, prepayments of Senior Loans may occur. As a result, the actual remaining maturity of Senior Loans held may be substantially less than the stated maturities shown.

(6) Senior Loans generally pay interest at rates which are periodically adjusted by reference to a base short-term, floating lending rate plus an assigned fixed rate. These floating lending rates are generally (i) the lending rate referenced by the London Inter-Bank Offered Rate ("LIBOR"), or (ii) the prime rate offered by one or more major United States banks.

Senior Loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the Agent Bank and/or borrower prior to the disposition of a Senior Loan.

(7) Borrowings Payable as a percentage of Total Investments is 29.0%.

(8) The Fund segregates 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings.

(9) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as noted within Investments in Derivatives as of the end of the reporting period.

N/R Not rated.

DD1 Investment, or portion of investment, purchased on a delayed delivery basis.

WI/DD Purchased on a when-issued or delayed delivery basis.

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.

TBD Senior Loan purchased on a when-issued or delayed-delivery basis. Certain details associated with this purchase are not known prior to the settlement date of the transaction. In addition, Senior Loans typically trade without accrued interest and therefore a weighted average coupon rate is not available prior to settlement. At settlement, if still unknown, the borrower or counterparty will provide the Fund with the final weighted average coupon rate and maturity date.

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

*See accompanying notes to financial statements.*



## Statement of

## ASSETS &amp; LIABILITIES

December 31, 2012

**Assets**

|  |                      |
|--|----------------------|
| Investments, at value (cost \$1,904,823,979) | \$ 1,933,617,296     |
| Cash   | 1,340,935            |
| Receivables:                                 |                      |
| Dividends                                    | 184,764              |
| Interest                                     | 19,331,221           |
| Investments sold                             | 37,180,696           |
| Matured senior loans                         | 1,041,379            |
| Reclaims                                     | 146,189              |
| Other assets                                 | 315,918              |
| <b>Total assets</b>                          | <b>1,993,158,398</b> |

**Liabilities**

|   |                    |
|---|--------------------|
| Borrowings  | 561,000,000        |
| Unrealized depreciation on interest rate swaps  | 6,702,245          |
| Payable for investments purchased   | 77,635,667         |
| Accrued expenses:   |                    |
| Interest on borrowings  | 18,061             |
| Management fees   | 1,310,217          |
| Trustees fees   | 243,581            |
| Other   | 591,174            |
| <b>Total liabilities</b>  | <b>647,500,945</b> |
| Net assets applicable to Common shares  | \$ 1,345,657,453   |
| Common shares outstanding   | 136,180,708        |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 9.88            |

**Net assets applicable to Common shares consist of:**

|  |                         |
|--|-------------------------|
| Common shares, \$.01 par value per share                   | \$ 1,361,807            |
| Paid-in surplus  | 1,843,360,167           |
| Undistributed (Over-distribution of) net investment income | (13,245,643)            |
| Accumulated net realized gain (loss)                       | (507,915,757)           |
| Net unrealized appreciation (depreciation)                 | 22,096,879              |
| <b>Net assets applicable to Common shares</b>              | <b>\$ 1,345,657,453</b> |
| Authorized shares:   |                         |
| Common   | Unlimited               |
| Fund Preferred   | Unlimited               |

*See accompanying notes to financial statements.*

Statement of

## OPERATIONS

Year Ended December 31, 2012

**Investment Income**

|  |                    |
|--|--------------------|
| Dividends (net of foreign tax withheld of \$259,691) | \$ 8,155,810       |
| Interest   | 122,981,931        |
| Other  | 328,553            |
| <b>Total investment income</b>                       | <b>131,466,294</b> |

**Expenses**

|   |                    |
|---|--------------------|
| Management fees                               | 15,267,762         |
| Interest expense on borrowings                | 7,653,150          |
| Dividends on securities sold short            | 2,500              |
| Shareholder servicing agent fees and expenses | 7,137              |
| Custodian fees and expenses                   | 594,250            |
| Trustees fees and expenses                    | 35,146             |
| Professional fees                             | 361,415            |
| Shareholder reporting expenses                | 151,469            |
| Stock exchange listing fees                   | 42,825             |
| Investor relations expense                    | 379,728            |
| Other expenses                                | 93,059             |
| <b>Total expenses</b>                         | <b>24,588,441</b>  |
| <b>Net investment income (loss)</b>           | <b>106,877,853</b> |

**Realized and Unrealized Gain (Loss)**

|  |                       |
|--|-----------------------|
| Net realized gain (loss) from:   |                       |
| Investments and foreign currency   | 30,157,518            |
| Securities sold short  | (2,844,562)           |
| Call options written   | 4,936,415             |
| Interest rate swaps  | (2,872,297)           |
| Put options purchased  | (279,861)             |
| Change in net unrealized appreciation (depreciation) of:                                 |                       |
| Investments and foreign currency   | 68,849,402            |
| Securities sold short  | 1,970,142             |
| Call options written   | (2,080,052)           |
| Interest rate swaps  | (255,166)             |
| Put options purchased  | 278,611               |
| <b>Net realized and unrealized gain (loss)</b>   | <b>97,860,150</b>     |
| <b>Net increase (decrease) in net assets applicable to Common shares from operations</b> | <b>\$ 204,738,003</b> |

*See accompanying notes to financial statements.*

Nuveen Investments

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Statement of

CHANGES in NET ASSETS

|                                  | <b>Year<br/>Ended<br/>12/31/12</b> | <b>Year<br/>Ended<br/>12/31/11</b> |
|----------------------------------|------------------------------------|------------------------------------|
| <b>Operations</b>                |                                    |                                    |
| Net investment income (loss)     | \$ 106,877,853                     | \$ 74,583,956                      |
| Net realized gain (loss) from:   |                                    |                                    |
| Investments and foreign currency | 30,157,518                         | 34,300,234                         |
| Securities sold short            | (2,844,562)                        | (395,059)                          |
| Call options written             | 4,936,415                          | 4,079,563                          |
| Interest rate swaps              | (2,872,297)                        |                                    |