

Nuveen Mortgage Opportunity Term Fund
Form N-CSRS
September 05, 2014

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

FORM N-CSR

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

Investment Company Act file number 811-22329

Nuveen Mortgage Opportunity Term Fund
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

333 West Wacker Drive

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

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2014

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen Investments

Closed-End Funds

Semi-Annual Report June 30, 2014

JLS

Nuveen Mortgage Opportunity Term Fund

JMT

Nuveen Mortgage Opportunity Term Fund 2

Nuveen Investments to be acquired by TIAA-CREF

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

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

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

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Chairman's Letter

to Shareholders

Dear Shareholders,

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

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

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

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

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

William J. Schneider
Chairman of the Board
August 25, 2014

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Portfolio Manager's

Comments

Nuveen Mortgage Opportunity Term Fund (JLS)

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

The investment adviser for both Funds is Nuveen Fund Advisors, LLC (NFA), an affiliate of Nuveen Investments, Inc. NFA is responsible for determining each Fund's overall investment strategy and monitoring the performance of Wellington Management Company, LLP (Wellington Management), the sub-adviser for both Funds.

Wellington Management is responsible for implementing each Fund's direct investments in mortgage-backed securities and other permitted investments. Michael Garrett serves as portfolio manager for these Funds.

Here Michael talks about his management strategy and the performance of the Funds for six-month reporting period ended June 30, 2014.

What key strategies were used to manage the Fund during this six-month reporting period ended June 30, 2014?

Both Funds seek to generate total returns by investing in a diverse portfolio of mortgage-backed securities (MBS), consisting primarily of non-agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS). Under normal circumstances, both Funds will invest at least 80% of their managed assets in MBS, primarily non-agency RMBS and CMBS. Both JLS and JMT may be leveraged directly to a maximum effective leverage of 33% of total net asset value. The Funds have a limited term of ten years from each Fund's inception, (JLS 11/25/09 and JMT 2/23/10), at which time all net asset value will be distributed to shareholders of record.

During the reporting period, we remained constructive on CMBS, but continued to believe that the non-agency RMBS sector offered better relative value and we positioned the Funds accordingly. The Funds continue to be conservatively positioned within RMBS, with a bias toward higher quality collateral to try to protect against downside risk in the event of a prolonged path toward economic recovery.

CMBS posted positive returns during the six-month reporting period. The performance occurred in both the first and second quarter in spite of a below trend, albeit an improving macro environment, emerging market contagion and persistent geopolitical risks. Valuations remain relatively attractive with room for spread tightening, as the sector has lagged the broader credit rally over the past year. Commercial property prices continued their advance, according to the Moody's/RCA Commercial Property Price Index™ (CPPI), which gained 1.3% in April (most recent data available at the time this report was prepared) and stands about 5% below the 2007 pre-crisis peak. Prices in major markets have exceeded their previous peak by about 7%, while non-major markets are still about 14% below peak. New issue volume was solid, with over \$41 billion being priced. However, we continue to monitor the deteriorating underwriting standards. We do not expect standards to revisit pre-crisis levels, but we are watching new underwriting carefully. In contrast to

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the

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

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

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Portfolio Manager's Comments (continued)

2005–2007, when loan leverage increased with no commensurate increase in subordination, however, rating agencies have responded by requiring increasing credit enhancement on recent deals. Continued economic recovery, coupled with an uptick in demand and limited new construction, bodes well for the longer term health of the sector.

The non-agency RMBS market generated positive returns during the six-month reporting period. Housing data regained the momentum that had been missing since mid-2013, as both existing and pending home sales improved significantly and beat expectations. Also, the moderation of home price appreciation that we were expecting began to be evident. The Case-Schiller Index registered a 10.8% year-over-year gain in April 2014 (most recent data available at the time this report was prepared): still strong, but lower than the 13.4% gain we saw in 2013. The performance of non-agency collateral remains generally solid as defaults continue to improve. However, losses have continued to drift higher in the subprime sector, which is an area of some concern.

In 2014, we expect the rate of home price appreciation and credit performance to normalize, improving at a slower pace than 2013, but still in the mid-single digit range. We believe that this is still a positive environment for the housing market, and consequently, we maintain our constructive outlook on the non-agency RMBS sector. Overall, we believe the non-agency RMBS sector will continue to offer better risk-adjusted return potential relative to other fixed-income sectors.

How did the Funds perform during this six-month reporting period ended June 30, 2014?

The tables in the Performance Overview and Holding Summaries section of this report provide total return performance for the Funds for the six-month, one-year and since inception periods ended June 30, 2014. For the six-month reporting period, the Funds' total returns at net asset value (NAV) outperformed the Barclays U.S. Aggregate Bond Index. This index reflects the general performance of the bond market over these periods, but not the specific MBS market in which the Funds primarily invest. The total returns of the Funds were positive, as interest rates declined and asset spreads generally tightened.

The Funds' allocation to the non-agency RMBS sector, including prime, alternative-A (Alt-A), subprime and Freddie Mac and Fannie Mae credit risk transfer deals, was the primary contributor to returns during the reporting period. The Funds' exposure to the CMBS sector also benefited performance as it posted positive absolute total returns, driven by legacy and multi-family CMBS. The Funds' allocation to agency collateralized mortgage obligations (CMOs) also positively impacted returns during the period. However, we reduced our exposure, selling agency CMOs where we believe the performance potential has largely been realized. Our approach to sector allocation has remained consistent since the Funds' launch. While we are positive toward CMBS, we continue to favor residential credit from a relative value perspective and have a bias to the highest quality collateral types within each sector. With an emphasis on the long term, we continued to focus on finding opportunities to add securities we feel were best positioned to provide stability of principal and attractive income over the duration of the Funds' limited terms.

JLS shorted five and ten year U.S. Treasury futures, while JMT shorted five year U.S. Treasury futures to hedge against rises in interest rates during the reporting period. These positions had a modestly negative impact on performance during the reporting period. In addition, the Funds briefly held call options on U.S. Treasury futures to protect against continued volatility in the case credit spreads were to widen, which contributed a small positive amount to performance during the period.

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

One important factor impacting the return of the Funds relative to their benchmarks was the Funds' use of leverage through the use of bank borrowings and reverse repurchase agreements. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income and total return for shareholders. However, use of leverage also can expose shareholders to additional volatility. For example, as the prices of securities held by the Funds decline, the negative impact of these valuation changes on common share NAV and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance share returns during periods when the prices of securities held by the Funds generally are rising. The Funds' use of leverage through their investments in reverse repurchase agreements and bank borrowings had a positive effect on performance over this reporting period.

As of June 30, 2014, the Funds' percentages of leverage are as shown in the accompanying table.

	JLS	JMT
Effective Leverage*	25.71%	26.69%
Regulatory Leverage*	25.71%	26.69%

* Effective leverage is the Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in the Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of the Fund. Both of these are part of the Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

THE FUNDS' REGULATORY LEVERAGE

During the period, the Funds employed leverage through bank borrowings and reverse repurchase agreements. The Funds have ceased the use of reverse repurchase agreements during the reporting period. As of June 30, 2014, the values of the Funds' outstanding bank borrowings are as shown in the accompanying table.

	JLS	JMT
Bank Borrowings	\$147,200,000	\$46,200,000

Refer to Notes to Financial Statements, Note 3 Portfolio Securities and Investments in Derivatives and Note 8 Borrowing Agreements for further details.

Share

Information

DISTRIBUTION INFORMATION

The following information regarding each Fund's distributions is current as of June 30, 2014. Each Fund's distribution levels may vary over time based on each Fund's investment activities and portfolio investment value changes.

Each Fund has a managed distribution program. The goal of this program is to provide shareholders with relatively consistent and predictable cash flow by systematically converting the Fund's cash flows from investment strategies. As a result, regular distributions throughout the year are likely to include a portion of expected long-term gains (both realized and unrealized), along with net investment income.

Important points to understand about the managed distribution program are:

- Each Fund seeks to establish a distribution rate that roughly corresponds to the cash flows from its investment strategy. However, you should not draw any conclusions about a Fund's past or future investment performance from its current distribution rate.
- Actual returns will differ from cash flows (and therefore a Fund's distribution rate), at least over shorter time periods. Over a specific timeframe, the difference between actual returns and total distributions will be reflected in an increasing (returns exceed distributions) or a decreasing (distributions exceed returns) Fund net asset value.
- Each distribution is expected to be paid from some or all of the following sources:
 - net investment income (regular interest and dividends),
 - realized capital gains, and
 - unrealized gains, or, in certain cases, a return of principal (non-taxable distributions).
- A non-taxable distribution is a payment of a portion of a Fund's capital. When a Fund's returns exceed distributions, it may represent portfolio gains generated, but not realized as a taxable capital gain. In periods when a Fund's returns fall short of distributions, the shortfall will represent a portion of your original principal, unless the shortfall is offset during other time periods over the life of your investment (previous or subsequent) when a Fund's total return exceeds distributions.
- Because distribution source estimates are updated during the year based on a Fund's performance and forecast for its current fiscal year (which is the calendar year for each Fund), estimates on the nature of your distributions provided at the time the distributions are paid may differ from both the tax information reported to you in your Fund's IRS Form 1099 statement provided at year end, as well as the ultimate economic sources of distributions over the life of your investment.

The following table provides estimated information regarding each Fund's distributions and total return performance for the six months ended June 30, 2014. This information is provided on a tax basis rather than a generally accepted accounting principles (GAAP) basis. This information is intended to help you better understand whether the Funds' returns for the specified time period were sufficient to meet their distributions.

As of June 30, 2014	JLS	JMT
Inception date	11/25/09	2/23/10
Six months ended June 30, 2014:		
Per share distribution:		
From net investment income	\$ 0.52	\$ 0.53
From realized capital gains	0.27	0.27
Return of capital	0.00	0.00
Total per share distribution	\$ 0.79	\$ 0.80
Annualized distribution rate on NAV	5.90%	6.14%
Current distribution rate*	6.17%	6.43%
Average annual total returns:		
6-Month (cumulative) on NAV	6.71%	7.11%
1-Year on NAV	12.44%	12.43%
Since inception on NAV	11.45%	11.66%

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

SHARE REPURCHASES

As of June 30, 2014, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired shares as shown in the accompanying table.

	JLS	JMT
Shares Cumulatively Repurchased and Retired	0	0
Shares Authorized for Repurchase	1,590,000	485,000

OTHER SHARE INFORMATION

As of June 30, 2014, and during the current reporting period, the share prices of the Funds were trading at a premium/(discount) to their NAVs as shown in the accompanying table.

	JLS	JMT
NAV	\$ 26.77	\$ 26.05
Share Price	\$ 24.60	\$ 23.80
Premium/(Discount) to NAV	(8.11)%	(8.64)%
6-Month Average Premium/(Discount) to NAV	(9.30)%	(8.85)%

Nuveen Investments

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

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

Tax Risk. The 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.

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

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a 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.

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

Mortgage-Backed Securities (MBS) Risk. Investing in MBS entails various risks, including credit risks inherent in the underlying collateral, the risk that the servicer fails to perform its duties, liquidity risks, interest rate risks, structure risks, and geographical concentration risks.

Limited Term Risk. It is anticipated that JLS will terminate on or before November 30, 2019 and JMT will terminate on or before February 28, 2020, although each could terminate sooner or later under certain conditions. Because the assets of the Funds will be liquidated in connection with their respective terminations, each may be required to sell portfolio securities when they otherwise would not desire to do so, including at times when market conditions are not favorable, which may cause them to lose money.

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

Nuveen Investments

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Prepayment Risk. MBS represent an interest in a pool of mortgages. These mortgages typically permit borrowers to prepay amounts owing, often with no penalty. The relationship between borrower prepayments and changes in interest rates may mean some high-yielding mortgage-related and asset-backed securities have less potential for increases in value if market interest rates were to fall than conventional bonds with comparable maturities. In addition, in periods of falling interest rates, the rate of prepayments tends to increase. During such periods, the reinvestment of prepayment proceeds by a Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid. Because of these and other reasons, the total return and maturity of mortgage-related and asset-backed securities may be difficult to predict precisely. To the extent that a Fund purchases mortgage-related securities at a premium, prepayments may result in loss of the Fund's principal investment to the extent of any unamortized premium.

Nuveen Investments

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JLS**Nuveen Mortgage Opportunity Term Fund****Performance Overview and Holding Summaries as of June 30, 2014**

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

Average Annual Total Returns as of June 30, 2014

	Cumulative	Average Annual	
	6-Month	1-Year	Since Inception¹
JLS at NAV	6.71%	12.44%	11.45%
JLS at Share Price	9.83%	7.89%	8.68%
Barclays U.S. Aggregate Bond Index	3.93%	4.37%	4.13%

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

Share Price Performance Weekly Closing Price

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

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.

Fund Allocation

(% of net assets)

Mortgage-Backed Securities	132.8%
Asset-Backed Securities	0.4%
Short-Term Investments	1.6%
Borrowings	(34.6)%
Other Assets Less Liabilities	(0.2)%

Credit Quality

(% of total long-term investments)

AAA/U.S. Guaranteed	4.7%
AA	1.1%
A	1.4%
BBB	4.2%
BB or Lower	85.2%
N/R (not rated)	3.4%

1 Since inception returns are from 11/25/09.

Nuveen Investments

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JMT**Nuveen Mortgage Opportunity Term Fund 2****Performance Overview and Holding Summaries as of June 30, 2014**

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

Average Annual Total Returns as of June 30, 2014

	Cumulative	Average Annual	
	6-Month	1-Year	Since Inception¹
JMT at NAV	7.11%	12.43%	11.66%
JMT at Share Price	7.15%	7.46%	8.68%
Barclays U.S. Aggregate Bond Index	3.93%	4.37%	4.30%

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

Share Price Performance Weekly Closing Price

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

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.

Fund Allocation

(% of net assets)

Mortgage-Backed Securities	135.0%
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Asset-Backed Securities	0.5%
Short-Term Investments	1.0%
Borrowings	(36.4)%
Other Assets Less Liabilities	(0.1)%

Credit Quality

(% of total long-term investments)

AAA/U.S. Guaranteed	3.7%
AA	1.1%
A	1.5%
BBB	3.7%
BB or Lower	86.7%
N/R (not rated)	3.3%

1 Since inception returns are from 2/23/10.

Nuveen Investments

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JLS

Nuveen Mortgage Opportunity Term Fund

Portfolio of Investments June 30, 2014 (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	LONG-TERM INVESTMENTS	133.2% (98.9% of Total Investments)			
	MORTGAGE-BACKED SECURITIES	132.8% (98.5% of Total Investments)			
	Residential	132.8%			
\$ 2,700	American Credit Auto Receivables 12-3D	5.000%	9/15/15	BB	\$ 2,741,999
1,835	AmeriCredit Automobile Receivables Trust, Series 2010-2 Class E, 144A	8.660%	10/10/17	AA	1,862,853
6,500	Argent Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-W2, 144A	0.680%	10/25/35	B	5,135,910
8,837	Asset Backed Funding Corporation, Asset-Backed Certificates Series 2006-OPT1	0.398%	9/25/36	CCC	6,279,458
3,266	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	2,660,215
7,800	Banc of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2006-G	0.457%	7/20/36	B1	7,200,796
3,776	Banc of America Mortgage Securities Inc, Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	3,551,136
916	Bank of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2007-C	2.860%	5/20/36	Caa2	864,857
7,544	Bank of America Funding Trust, 2007-A 2A1	0.352%	2/20/47	CCC	6,557,992
8,434	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2006-AA2	0.360%	1/25/37	Caa3	6,361,394
6,684	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007	0.370%	3/25/37	Caa3	5,449,032

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AA1 2A1

3,434	Bear Stearns Adjustable Rate Mortgage Trust 2005-3	2.738%	6/25/35	Caa2	3,193,212
4,225	Bear Stearns Adjustable Rate Mortgage Trust 2007-5	5.308%	8/25/47	D	3,901,470
1,152	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate Series 2006-2	5.750%	7/25/36	D	959,011
4,688	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate Series 2006-4	2.756%	10/25/36	D	3,750,669
7,509	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate Series 2007-4	5.975%	6/25/47	D	6,814,727
1,653	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	5.456%	2/25/36	Caa3	1,307,040
6,739	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates Series 2005-12	2.638%	2/25/36	Caa3	5,976,634
5,343	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	5.167%	2/25/47	D	4,608,633
3,593	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	2.831%	2/25/47	D	2,873,877
5,643	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	0.350%	6/25/46	Ca	3,753,724
6,151	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	2.854%	8/25/46	Ca	4,506,627
2,210	Bear Stearns Asset Backed Securities I Trust 2002-EC2	0.590%	2/25/36	BBB	2,103,458
2,175	Bear Stearns Commercial Mortgage Securities Trust, Pass-Through Certificates 2007-WR16	5.706%	6/11/40	B1	2,253,148
2,533	CAI Funding II Limited, Series 2012-1A, 144A	3.470%	10/25/27	A	2,562,647
6,490		0.670%	10/25/35	BB	5,645,151

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	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5					
6,985	Carrington Securities LP, Mortgage Loan Trust Assset-Backed Pass-Through Certificates Series 2007-HE1	0.340%		6/25/37	Caa1	6,020,190
6,833	Chaseflex Trust Series 2007-2	0.470%		5/25/37	CCC	6,044,653
2,066	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR4	5.198%		3/25/37	D	1,641,013
1,462	Citigroup Mortgage Loan Inc., Mortgage Pass-Through Certificates, Series 2006- AR2	2.921%		3/25/36	Caa3	1,331,664
8,462	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR1	0.410%		1/25/37	CCC	6,211,133
2,339	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, sEROES 2005-3	2.846%		8/25/35	Caa2	2,172,617
1,722	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR8	2.851%		7/25/37	Caa3	1,537,257
2,433	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	5.023%		11/25/36	D	1,862,554
3,576	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR7	2.912%		11/25/36	D	2,986,919
3,820	Commercial Mortgage Pass-Through Certificates Series 2012-CR4, 144A	4.579%		10/15/45	BBB	3,707,448
2,563	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2005-63	5.460%		11/25/35	Ca	2,102,005
696	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-6CB	5.750%		5/25/36	Ca	526,709
5,590		6.000%		8/25/37	D	4,629,173

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Countrywide Alternative
Loan Trust, Mortgage
Pass-Through Certificates,
Series 2007-19

2,328	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2007-3T1	6.000%	4/25/37	Caa3	1,930,299
127	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY5R	5.544%	3/25/47	Caa2	125,494
6,762	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY7C A1	0.292%	8/25/37	Caa3	5,588,583
2,477	Countrywide Asset Backed Certificates Trust 2005-IM1	0.590%	11/25/35	BBB+	2,266,467
3,722	Countrywide Asset-Backed Certificates Trust, Series 2006-17	0.340%	3/25/47	AAA	3,115,878
2,476	Countrywide CHL Mortgage Pass-Through Trust 2006-HYB1	2.648%	3/20/36	CCC	2,071,911
1,428	Countrywide CHL Mortgage Pass-Through Trust Series 2005-HY10	3.323%	2/20/36	Caa3	1,206,473
5,379	Countrywide Home Loans Mortgage Pass-Through Certificates, Series 2005-HYB7	5.207%	11/20/35	Caa3	4,945,387
900	Countrywide Home Loans Mortgage Pass-Through Trust Certificates Series 2007-HY5	5.465%	9/25/37	D	841,085
6,900	Countrywide Home Loans Mortgage Pass- Through Trust, Series 2007-HY1 1A1	3.116%	4/25/37	D	5,797,885
4,759	Credit Suisse Adjustable Rate Mortgage Trust 2005-9	0.460%	11/25/35	B+	4,415,360
5,833	Credit Suisse Adjustable Rate Mortgage Trust 2006-3, Pass-Through Certificates	0.271%	8/25/36	CCC	3,665,666
969	Credit Suisse Adjustable Rate Mortgage Trust 2007-2	0.400%	6/25/37	Caa3	762,086

Nuveen Investments

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
\$ 3,811	Credit Suisse First Boston Mortgage Acceptance Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates Series 2005-12	2.979%	3/25/36	Caa3	\$ 2,989,024
1,277	Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2006-2	2.704%	5/25/36	D	1,191,168
815	Fannie Mae Connecticut Avenue Securities, Series 2014-C02	2.748%	5/25/24	N/R	814,999
2,790	Fannie Mae Connecticut Avenue Securities, Series 2013-C01	5.424%	10/25/23	N/R	3,357,690
995	Fannie Mae, Connecticut Avenue Securities Series 2014-C01	4.562%	1/25/24	N/R	1,132,984
5,177	Federal Home Loan Mortgage Corporation, REMIC, (I/O)	6.459%	5/15/36	Aaa	868,218
6,172	Federal Home Loan Mortgage Corporation, REMIC, (I/O)	6.429%	7/15/36	Aaa	837,735
6,500	First Franklin Mortgage Loan Trust, Collateralized Mortgage Obligation, Series 2005-FFH3	0.720%	9/25/35	B1	6,042,160
3,674	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Caa3	3,118,391
3,325	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Caa3	2,822,885
7,173	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates, Series 2006-FA8	0.690%	2/25/37	Caa3	4,510,521

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2,586	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates Series 2005-A7	2.260%	9/25/35	Caa2	2,283,709
228	First Horizon Mortgage Pass-Through Certificates Trust, Series 2007-AR1	2.598%	5/25/37	D	185,945
2,265	First Horizon Mortgage Pass-Through Trust, Mortgage Pass-Through Certificate Series 2007-AR2	2.516%	8/25/37	D	1,882,785
7,310	Freddie Mac Collateralized Mortgage REMIC Series 4338, (I/O)	4.500%	6/25/42	N/R	1,395,187
5,400	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K701, (I/O)	2.108%	7/25/48	Aaa	349,061
4,882	Freddie Mac Multi-Class Certificates, (I/O)	6.109%	8/15/35	Aaa	674,256
920	Freddie Mac Multi-Class Certificates, (I/O)	6.959%	6/15/36	Aaa	140,282
2,629	Freddie Mac Multi-Class Certificates, (I/O)	6.809%	8/15/36	Aaa	410,549
2,872	Freddie Mac Multi-Class Certificates, (I/O)	6.209%	6/15/39	Aaa	319,552
2,516	Freddie Mac Multi-Class Certificates, (I/O)	6.009%	10/15/39	Aaa	313,693
4,924	Freddie Mac Multi-Class Certificates, (I/O)	6.259%	2/15/40	Aaa	672,135
4,000	Freddie Mac Multifamily Mortgage Trust, Series 2011-K704, 144A	4.687%	10/25/30	AA+	4,315,176
2,870	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2010-K6, 144A	5.357%	12/25/46	Aaa	3,222,703
1,210	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2012-K710, 144A	3.949%	6/25/47	A	1,268,395
5,122	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2013-K31, 144A	3.626%	7/25/46	Baa3	4,990,604
1,491	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K38, 144A	4.636%	6/25/47	BBB+	1,547,225
1,150		%			

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	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.265	2/25/46	Baa2	1,186,325
6,950	Freddie Mac Multifamily Structured Pass-Through Certificates K036, (I/O)	2.110%	12/25/41	Aaa	1,130,424
17,405	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.750%	11/25/40	Aaa	2,131,782
11,406	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.712%	7/25/41	Aaa	1,391,194
16,460	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.726%	5/25/23	Aaa	2,126,092
9,800	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.281%	1/25/24	N/R	1,687,207
11,060	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K715, (I/O)	2.084%	2/25/41	N/R	1,310,322
6,257	Freddie Mac Multifamily Structured Pass-Through Certificates Series KF01, (I/O)	1.969%	7/25/40	Aaa	838,196
1,630	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.884%	1/25/43	Aaa	261,098
13,675	Freddie Mac Multifamily Structures Pass-Through Certificates, Series 2011-K012, (I/O)	2.288%	1/25/41	Aaa	1,780,727
775	Freddie Mac MultiFamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	806,525
15,800	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	Aaa	1,172,028
5,166	GMAC Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AR5	3.478%	9/19/35	CCC	5,104,578
4,680		6.000%	12/25/35	D	3,905,291

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GMACM Mortgage
Corporation, Mortgage
Pass-Through Certificates,
Series 2005-AF2

4,026	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	3.909%	4/19/36	Caa3	3,621,400
4,492	Goldman Sachs GSAA Home Equity Trust, Series 2006-4 4A2	0.420%	3/25/36	Caa3	3,941,531
7,043	Goldman Sachs GSAA Home Equity Trust, Series 2007-8	0.640%	8/25/37	CCC	6,024,169
451	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1	2.837%	3/25/47	D	395,380
7,412	Goldman Sachs Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1 2A4	2.774%	1/25/36	D	6,870,059
1,698	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	Aaa	379,229
4,642	Granite Master Issuer PLC Series 2006-3	0.272%	12/20/54	AAA	4,599,276
2,220	GSAA Home Equity Trust Series 2007-5	0.311%	5/25/37	CCC	1,213,385
3,001	GSAA Home Equity Trust Series 2007-5	5.788%	3/25/47	CCC	2,137,237

Nuveen Investments

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JLS Nuveen Mortgage Opportunity Term FundPortfolio of Investments (continued) **June 30, 2014** (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
\$ 4,136	GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-AR2	2.732%	4/25/36	D	\$ 3,543,192
4,050	GSR Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-AR2	2.868%	5/25/47	D	3,423,010
5,769	HarborView Mortgage Loan Trust 2006-12	0.421%	12/19/36	CC	3,837,145
7,343	HomeBanc Mortgage Trust, Mortgage Backed Notes 2005-5	0.444%	1/25/36	Caa1	6,256,955
4,046	HSI Asset Securitization Corporation, Mortgage Pass-Through Certificates, Series 2006-HE1	0.300%	10/25/36	CCC	2,140,426
2,000	Impac Secured Assets Corporation 2004-3	1.656%	11/25/34	Baa1	1,649,424
1,860	IndyMac INDA Mortgage Loan Trust, Series 2006-AR1	5.332%	8/25/36	B2	1,840,099
3,691	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	5.715%	7/25/37	Caa2	3,414,045
708	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	2.509%	11/25/35	Caa3	601,015
3,118	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.310%	7/25/36	D	2,430,634
7,261	IndyMac INDX Mortgage Loan Trust, Series 2007-AR7 2A1	2.187%	6/25/37	Ca	5,558,006
1,869	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	2.783%	6/25/36	Caa2	1,609,233
3,300	JPMorgan Alternative Loan Trust, Mortgage Pass-Through Certificates 2006-S4	5.960%	12/25/36	CC	2,760,566
4,170	JPMorgan Chase Commercial Mortgage	5.480%	5/15/45	Baa2	4,447,972

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1,273	Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-LDP8	6.000%			1,082,292
5,880	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A5	0.570%	1/25/37	Caa3	3,925,993
5,000	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A8	5.337%	1/25/37	Caa3	5,040,755
2,300	JPMorgan Chase Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-CB17 AM	5.464%	5/15/47	Ba1	2,432,945
4,200	JPMorgan Mortgage Acquisition Corporation, Asset-Backed Pass-Through Certificates, Series 2007-CH5	0.450%	12/12/43	Ba1	3,184,684
4,058	JPMorgan Mortgage Acquisition Trust, Series 2006-A6	4.788%	5/25/37	B3	3,485,971
689	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-A4	2.781%	10/25/36	Caa2	581,440
2,500	LB UBS Commercial Mortgage Trust, Series 2006-C4	5.886%	6/25/37	D	2,665,278
4,446	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2	5.800%	6/15/38	Ba2	4,036,073
6,823	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes,	3.124%	8/25/36	Caa2	5,384,038
			6/25/37	D	

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	Series 2007-3				
	Merrill Lynch Mortgage Investors Trust, Mortgage Loan Asset-Backed Certificates, 2005-A9	2.610%	12/25/35	CCC	4,310,551
4,465					
3,800	Merrill Lynch Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C1 AM	5.749%	6/12/50	B	3,999,333
	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.894%	8/12/49	BB	4,128,287
3,900					
	Morgan Stanley Capital I Inc., Mortgage Pass-Through Certificates, Series 2006-HE1	0.469%	1/25/36	CCC	6,782,378
7,660					
4,130	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-HQ8	5.678%	3/12/44	Ba1	4,205,806
2,045	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.546%	10/12/52	Baa3	2,102,961
1,525	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.546%	10/12/52	Ba1	1,529,160
4,000	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-IQ14	5.691%	4/15/49	Ba2	4,259,888
3,850	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	B1	3,951,417
3,138	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	2.803%	3/25/36	Caa3	2,669,299
5,617	Mortgage IT Trust, Mortgage-Backed Notes, Series 2005-5	0.450%	12/25/35	BB+	5,255,033
7,002	Mortgage-IT Trust 2005-4	0.446%	10/25/35	BB+	6,415,652

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2,574	Opteum Mortgage Acceptance Corporation, Asset backed Pass-Through Certificates, Series 2006-1	0.466%	4/25/36	CCC	2,213,565
619	Popular Asset Backed Securities Mortgage Pass-Through Trust 2005-2 M1	5.417%	4/25/35	B1	517,773
4,377	Renaissance Home Equity Loan Trust 2005-3	4.934%	8/25/35	Ba3	4,244,638
4,896	Renaissance Home Equity Loan Trust Asset Backed Certificates, Series 2007-3	6.998%	9/25/37	CCC	3,233,050
4,153	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6	0.380%	7/25/36	Caa3	3,245,775
7,042	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	3.799%	9/25/35	Caa3	5,934,207
4,364	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	3,882,880
2,545	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	2,038,147
2,144	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA6	3.290%	5/25/35	Ca	1,771,012

Nuveen Investments

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
\$ 3,500	Residential Asset Mortgage Products Inc. Asset Backed Pass-Through Certificates, Series 2005-RS7	0.690%	7/25/35	Ba3	\$ 2,981,202
7,295	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass-Through Certificates, Series 2006-NC2	0.480%	2/25/36	CCC	6,068,382
3,008	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates Series 2007-SA3	3.953%	7/27/37	D	2,538,667
1,860	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates, Series 2006-SA3	3.924%	9/25/36	D	1,571,974
3,044	Residential Funding Mortgage Securities I, Mortgage Pass-Through Securities Series 2006-S1	5.750%	1/25/36	Caa3	2,547,222
3,071	Residential Funding Mortgage Securities I, Mortgage Pass-Through Securities Series 2006-S1	3.361%	2/25/36	Caa2	2,746,904
3,274	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.212%	4/25/37	Caa2	2,873,810
3,502	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.212%	4/25/37	Caa2	3,073,844
2,311	Residential Funding Mortgage Securities Inc. Mortgage Pass-Through Certificates Series 2006-SA2	3.777%	8/25/36	D	2,043,301
5,512	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	2.433%	2/20/47	CCC	4,789,722
668		6.190%	4/20/26	BB	697,902

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Sierra Receivables
Funding Company, Series
2011-1A

71	SMA Issuer LLC 2012-LV1, 144A	3.500%	8/20/25	Baa3	70,759
953	Soundview Home Equity Loan Trust 2004-WMC1 M1	0.940%	1/25/35	BB+	847,382
5,678	Structured Adjustable Rate Mortgage Loan Pass Through Trust, Series 2007-6 2A1	0.380%	7/25/37	CCC	4,256,388
905	Structured Agency Credit Risk Debt Notes 2014-DN2	3.752%	4/25/24	N/R	970,473
7,700	Structured Agency Credit Risk Debt Notes, 2013-DN2	4.402%	11/25/23	N/R	8,563,963
3,222	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-2	2.972%	4/25/37	D	2,734,373
721	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4, 144A	5.650%	10/25/37	Caa1	649,701
1,770	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4	3.318%	10/25/37	Caa1	1,638,077
5,223	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	2.959%	2/25/37	D	4,481,896
3,536	TAL Advantage LLC, Series 2013-1A A, 144A	2.830%	2/22/38	A	3,523,217
3,820	Wachovia Bank Commerical Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2005-C17	5.590%	3/15/42	BB	3,812,551
4,200	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B	4,346,446

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1,366	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.672%	4/15/47	CCC	1,316,294
3,075	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.660%	4/15/47	B1	3,210,177
3,825	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A	5.241%	10/15/44	BB	3,783,652
2,014	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	2.377%	11/25/36	D	1,769,644
3,871	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17	0.944%	12/25/46	CCC	3,210,247
2,915	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR	5.000%	1/25/37	D	2,564,127
1,823	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-HY6	5.452%	6/25/37	D	1,587,699
2,704	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-5	6.000%	7/25/36	Ca	2,076,817
6,122	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	4.812%	12/25/36	D	5,249,730
4,599	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.373%	12/25/36	D	4,007,514
3,263	Washington Mutual Mortgage Securities Corporation. Mortgage Pass-Through Certificates,	1.104%	7/25/46	CCC	2,782,492

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4,140	Series 2006-AR7 Wells Fargo Alternative Loan Trust, Mortgage Asset Backed Pass-Through Certificates, Series 2007-PA2	6.000%	6/25/37	D	3,991,044
1,518	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates, Series 2007-PA1	6.000%	3/25/37	Caa3	1,362,658
3,340	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates Series 2007-PA6	2.877%	12/25/37	D	2,742,177
547	Wells Fargo Mortgage Backed Securities Trust 2006-AR17, Mortgage Pass-Through Certificates	2.631%	10/25/36	D	527,270
930	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificate Series 2006-AR14	2.621%	10/25/36	Caa2	874,259
315	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificates Series 2006-AR16	3.086%	10/25/36	CCC	295,150

Nuveen Investments

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JLS Nuveen Mortgage Opportunity Term FundPortfolio of Investments (continued) **June 30, 2014** (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
Residential (continued)					
\$ 3,187	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificates, Series 2007-AR8	6.085%	11/25/37	Caa2	\$ 2,938,356
6,839	Wells Fargo Mortgage Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	2.921%	12/25/37	Caa3	6,330,097
4,440	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2006-AR10	2.694%	7/25/36	D	4,053,842
293	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2006-AR12	5.989%	9/25/36	Caa1	273,734
660	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2006-AR12	3.010%	9/25/36	Caa2	617,999
1,304	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2006-AR8	2.720%	4/25/36	D	1,277,633
2,004	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2006-AR8	2.707%	4/25/36	CC	1,930,186
778,844	Total Residential				564,675,023
\$ 778,844	Total Mortgage-Backed				564,675,023

Securities (cost
\$528,406,503)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	ASSET-BACKED SECURITIES 0.4% (0.4% of Total Investments)				
	Wireless Telecommunication Services 0.4%				
	GTP Acquisition				
\$ 2,065	Partners I LLC, 144A	4.704%	5/15/18	Ba3	\$ 2,102,255
	Total Asset-Backed Securities (cost				
\$ 2,065	\$2,065,000)				2,102,255
	Total Long-Term Investments (cost \$530,471,503)				
					566,777,278
Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	SHORT-TERM INVESTMENTS 1.6% (1.1% of Total Investments)				
\$ 6,608	Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/30/14, repurchase price \$6,607,631, collateralized by \$6,420,000 U.S. Treasury Notes, 2.625%, due 8/15/20, value \$6,741,000	0.000%	7/01/14	N/A	\$ 6,607,631
	Total Short-Term Investments (cost \$6,607,631)				
					6,607,631
	Total Investments (cost \$537,079,134) 134.8%				
					573,384,909
	Borrowings (34.6)% (3), (4)				
					(147,200,000)
	Other Assets Less Liabilities (0.2)%				
					(846,341)
	Net Assets 100%				
					\$ 425,338,568

Investments in Derivatives as of June 30, 2014

Futures Contracts outstanding:

Description	Contract Position	Number of Contracts	Contract Expiration	Notional Amount at Value	Unrealized Appreciation (Depreciation)
U.S. 5-Year Treasury Note	Short	(40)	9/14	\$(4,778,438)	\$ 5,960
U.S. 10-Year Treasury Note	Short	(29)	9/14	(3,629,984)	13,991
				\$(8,408,422)	\$ 19,951

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

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

(2) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(3) Borrowings as a percentage of Total Investments is 25.7%.

(4) The Fund segregates 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives) in the Portfolio of Investments as collateral for Borrowings.

I/O Interest only security.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

N/A Not applicable.

See accompanying notes to financial statements.

JMT

Nuveen Mortgage Opportunity Term Fund 2

Portfolio of Investments June 30, 2014 (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	LONG-TERM INVESTMENTS	135.5% (99.3% of Total Investments)			
	MORTGAGE-BACKED SECURITIES	135.0% (98.9% of Total Investments)			
	Residential	135.0%			
\$ 835	American Credit Auto Receivables 12-3D, 144A	5.000%	9/15/15	BB	\$ 847,988
610	AmeriCredit Automobile Receivables Trust, Series 2010-2 Class E, 144A	8.660%	10/10/17	AA	619,259
2,000	Argent Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-W2	0.680%	10/25/35	B	1,580,280
2,676	Asset Backed Funding Corporation, Asset-Backed Certificates Series 2006-OPT1	0.398%	9/25/36	CCC	1,901,564
915	Banc of America Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-7	6.226%	10/25/36	Caa3	671,065
994	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	809,631
2,400	Banc of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2006-G	0.457%	7/20/36	B1	2,215,630
1,259	Banc of America Mortgage Securities Inc, Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	1,183,712
305	Bank of America Funding Corporation, Mortgage Pass-Through Certificates, Series 2007-C	2.860%	5/20/36	Caa2	287,655
2,348	Bank of America Funding Trust, 2007-A 2A1	0.352%	2/20/47	CCC	2,040,869
2,613	BCAP LLC Trust, Mortgage Pass-Through	0.360%	1/25/37	Caa3	1,970,785

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	Certificates, Series 2006-AA2				
	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007				
2,078	AA1 2A1	0.370%	3/25/37	Caa3	1,694,423
	Bear Stearns Adjustable Rate Mortgage Trust				
1,057	2005-3	2.738%	6/25/35	Caa2	982,527
	Bear Stearns Adjustable Rate Mortgage Trust				
1,294	2007-5	5.308%	8/25/47	D	1,194,411
353	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate	5.750%			293,697
	Series 2006-2		7/25/36	D	
1,939	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate	2.756%			1,551,277
	Series 2006-4		10/25/36	D	
2,305	Bear Stearns Adjustable Rate Mortgage Trust, Mortgage Pass-Through Certificate	5.975%			2,092,065
	Series 2007-4		6/25/47	D	
	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates				
501	Series 2005-12	5.456%	2/25/36	Caa3	395,966
	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates				
2,064	Series 2005-12	2.638%	2/25/36	Caa3	1,830,844
	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates,				
1,641	Series 2007-1	5.167%	2/25/47	D	1,415,724
	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates,				
857	Series 2007-1	2.831%	2/25/47	D	685,172
	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	0.350%	6/25/46	Ca	743,287
1,117					
	Bear Stearns Alt-A Trust, Mortgage Pass-Through Certificates, Series 2006-8	2.854%	8/25/46	Ca	1,393,802
1,902					
687	Bear Stearns Asset Backed Securities I Trust	0.590%	2/25/36	BBB	653,664

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2002-EC2

650	Bear Stearns Commercial Mortgage Securities Trust, Pass-Through Certificates 2007-WR16	5.706%	6/11/40	B1	673,355
788	CAI Funding II Limited, Series 2012-1A, 144A	3.470%	10/25/27	A	796,612
2,000	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5	0.670%	10/25/35	BB	1,739,646
2,155	Carrington Securities LP, Mortgage Loan Trust Assset-Backed Pass-Through Certificates Series 2007-HE1	0.340%	6/25/37	Caa1	1,857,338
2,118	Chaseflex Trust Series 2007-2	0.470%	5/25/37	CCC	1,873,157
527	Citicorp Mortgage Securities Inc., CitiMortgage Alternative Loan Trust, Senior and Subordinated REMIC Pass-Through Certificates, Series 2007-A6	6.000%	6/25/37	Caa3	448,210
192	Citigroup Mortgage Loan Inc., Mortgage Pass-Through Certificates, Series 2006- AR2	2.921%	3/25/36	Caa3	175,219
2,631	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2007-AR1	0.410%	1/25/37	CCC	1,931,089
361	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, sEROES 2005-3	2.846%	8/25/35	Caa2	335,653
560	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR8	2.851%	7/25/37	Caa3	500,376
1,180	Commercial Mortgage Pass-Through Certificates Series 2012-CR4, 144A	4.579%	10/15/45	BBB	1,145,232
809	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2005-63	5.460%	11/25/35	Ca	663,791
626	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates,	0.790%	10/25/36	Caa3	458,128

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	Series 2006-25CB				
	Countrywide Alternative				
	Loan Trust, Mortgage				
	Pass-Through Certificates,				
1,730	Series 2006-6CB	5.750%	5/25/36	Ca	1,308,118
	Countrywide Alternative				
	Loan Trust, Mortgage				
	Pass-Through Certificates,				
669	Series 2006-6CB	5.500%	5/25/36	Ca	511,140
	Countrywide Alternative				
	Loan Trust, Mortgage				
	Pass-Through Certificates,				
1,738	Series 2007-19	6.000%	8/25/37	D	1,438,965
	Countrywide Alternative				
	Loan Trust, Mortgage				
	Pass-Through Certificates,				
719	Series 2007-3T1	6.000%	4/25/37	Caa3	596,270
2,077	Countrywide Alternative	0.292%			1,716,754
	Loan Trust, Securitization				
	Pass-Through Certificates		8/25/37	Caa3	
	Series 2007-HY7C A1				
	Countrywide Alternative				
	Trust, Mortgage				
	Pass-Through Certificates,				
814	Series 2007-18CB	0.660%	8/25/37	D	527,761
	Countrywide Asset Backed				
	Certificates Trust 2005-IM1	0.590%	11/25/35	BBB+	702,521
	Countrywide Asset-Backed				
	Certificates Trust, Series				
1,109	2006-17	0.340%	3/25/47	AAA	928,157
	Countrywide CHL				
	Mortgage Pass-Through				
2,050	Trust 2006-HYB1	2.648%	3/20/36	CCC	1,715,251

Nuveen Investments

JMT Nuveen Mortgage Opportunity Term Fund 2
Portfolio of Investments (continued) June 30, 2014 (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
\$ 504	Countrywide CHL Mortgage Pass-Through Trust, Mortgage Pass-Through Certificates, Series 2006-19	6.000%	1/25/37	Caa3	\$ 456,783
1,670	Countrywide Home Loans Mortgage Pass-Through Certificates, Series 2005-HYB7	5.207%	11/20/35	Caa3	1,535,585
272	Countrywide Home Loans Mortgage Pass-Through Trust Certificates Series 2007-HY5	5.465%	9/25/37	D	254,249
2,259	Countrywide Home Loans Mortgage Pass-Through Trust, Series 2007-HY1 1A1	3.116%	4/25/37	D	1,898,423
1,087	Countrywide Home Loans, CHL Mortgage Pass-Through Certificates Trust 2007-21	6.250%	2/25/38	D	991,240
1,539	Countrywide Home Loans, Mortgage Pass-Through Trust Series 2007-HY04	3.080%	9/25/47	D	1,371,841
1,503	Credit Suisse Adjustable Rate Mortgage Trust 2005-9	0.460%	11/25/35	B+	1,394,090
1,842	Credit Suisse Adjustable Rate Mortgage Trust 2006-3, Pass-Through Certificates	0.271%	8/25/36	CCC	1,157,579
291	Credit Suisse Adjustable Rate Mortgage Trust 2007-2	0.400%	6/25/37	Caa3	228,626
1,912	Credit Suisse CSMC Mortgage-Backed Trust, Pass-Through Certificates Series 2007-3	5.746%	4/25/37	Caa3	1,071,799
621	Credit Suisse First Boston Mortgage Acceptance Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates	2.979%	3/25/36	Caa3	486,664

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386	Series 2005-12 Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2006-2	2.704%	5/25/36	D	360,012
240	Fannie Mae Connecticut Avenue Securities, Series 2014-C02	2.748%	5/25/24	N/R	240,000
795	Fannie Mae Connecticut Avenue Securities, Series 2013-C01	5.424%	10/25/23	N/R	956,761
300	Fannie Mae, Connecticut Avenue Securities Series 2014-C01	4.562%	1/25/24	N/R	341,603
1,726	Federal Home Loan Mortgage Corporation, REMIC, (I/O)	6.459%	5/15/36	Aaa	289,406
2,000	First Franklin Mortgage Loan Trust, Collateralized Mortgage Obligation, Series 2005-FFH3	0.720%	9/25/35	B1	1,859,126
972	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Caa3	825,371
508	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2007-FA2	5.500%	4/25/37	D	383,644
2,216	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates, Series 2006-FA8	0.690%	2/25/37	Caa3	1,393,302
1,865	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates Series 2005-A7	2.260%	9/25/35	Caa2	1,646,698
266	First Horizon Mortgage Pass-Through Certificates Trust, Series 2007-AR1	2.598%	5/25/37	D	216,746
154	First Horizon Mortgage Pass-Through Trust, Mortgage Pass-Through Certificate Series 2007-AR2	2.516%	8/25/37	D	128,343
2,180		4.500%	6/25/42	N/R	416,075

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Freddie Mac Collateralized
Mortgage REMIC Series
4338, (I/O)

1,899	Freddie Mac Multi-Class Certificates, (I/O)	6.109%	8/15/35	Aaa	262,211
982	Freddie Mac Multi-Class Certificates, (I/O)	6.809%	8/15/36	Aaa	153,392
1,090	Freddie Mac Multi-Class Certificates, (I/O)	6.209%	6/15/39	Aaa	121,312
1,200	Freddie Mac Multifamily Mortgage Trust, Series 2011-K704, 144A	4.687%	10/25/30	AA+	1,294,553
835	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2010-K6, 144A	5.357%	12/25/46	Aaa	937,616
380	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2012-K710, 144A	3.949%	6/25/47	A	398,339
1,400	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2013-K31, 144A	3.626%	7/25/46	Baa3	1,363,954
446	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K38, 144A	4.636%	6/25/47	BBB+	462,950
350	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.265%	2/25/46	Baa2	361,199
2,070	Freddie Mac Multifamily Structured Pass-Through Certificates K036, (I/O)	2.110%	12/25/41	Aaa	336,742
5,375	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.750%	11/25/40	Aaa	658,335
3,521	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.712%	7/25/41	Aaa	429,422
5,015	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.726%	5/25/23	Aaa	647,773
2,775	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.281%	1/25/24	N/R	477,734

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3,305	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K715, (I/O)	2.084%	2/25/41	N/R	391,557
1,912	Freddie Mac Multifamily Structured Pass-Through Certificates Series KF01, (I/O)	1.969%	7/25/40	Aaa	256,114
1,300	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.884%	1/25/43	Aaa	208,238
4,656	Freddie Mac Multifamily Structures Pass-Through Certificates, Series 2011-K012, (I/O)	2.288%	1/25/41	Aaa	606,206
225	Freddie Mac MultiFamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	234,153
4,885	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	Aaa	362,394
1,440	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AF2	6.000%	12/25/35	D	1,201,333
1,205	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	3.909%	4/19/36	Caa3	1,083,606
1,401	Goldman Sachs GSAA Home Equity Trust, Series 2006-4 4A2	0.420%	3/25/36	Caa3	1,229,223
2,174	Goldman Sachs GSAA Home Equity Trust, Series 2007-8	0.640%	8/25/37	CCC	1,859,997
472	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1	2.837%	3/25/47	D	414,237

Nuveen Investments
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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
\$ 2,280	Goldman Sachs Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1 2A4	2.774%	1/25/36	D	\$ 2,113,516
566	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	Aaa	126,410
687	GSA Home Equity Trust Series 2007-5	0.311%	5/25/37	CCC	375,403
929	GSA Home Equity Trust Series 2007-5	5.788%	3/25/47	CCC	661,156
1,761	GSR Mortgage Loan Trust, Mortgage Pass- Through Certificates, Series 2006-AR2	2.732%	4/25/36	D	1,508,918
1,748	HarborView Mortgage Loan Trust 2006-12	0.421%	12/19/36	CC	1,162,771
2,266	HomeBanc Mortgage Trust, Mortgage Backed Notes 2005-5	0.444%	1/25/36	Caa1	1,931,356
150	IndyMac INDA Mortgage Loan Trust, Series 2006-AR1	5.332%	8/25/36	B2	148,358
1,380	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	5.715%	7/25/37	Caa2	1,276,202
191	IndyMac INDX Mortgage Loan Trust 2006 AR25	2.925%	9/25/36	Ca	142,922
2,294	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	2.509%	11/25/35	Caa3	1,948,241
972	IndyMac INDX Mortgage Loan Trust, Series 2006-AR15	0.310%	7/25/36	D	757,358
1,036	IndyMac INDX Mortgage Loan Trust, Series 2006-AR27	0.380%	10/25/36	CCC	683,578
740	IndyMac INDX Mortgage Loan Trust, Series 2006-AR3	2.908%	3/25/36	Ca	510,730
2,269	IndyMac INDX Mortgage Loan Trust, Series 2007-AR7 2A1	2.187%	6/25/37	Ca	1,737,163
165	JPMorgan Mortgage Acquisition Trust, Asset-Backed	0.281%	7/25/36	CCC	81,209

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	Pass-Through Certificates, Series 2006-WMC2				
174	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-S3	6.000%	8/25/37	D	154,253
590	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	2.783%	6/25/36	Caa2	507,994
1,000	JPMorgan Alternative Loan Trust, Mortgage Pass-Through Certificates 2006-S4	5.960%	12/25/36	CC	836,535
905	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-LDP8	5.480%	5/15/45	Baa2	965,327
395	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A5	6.000%	1/25/37	Caa3	335,510
1,806	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A8	0.570%	1/25/37	Caa3	1,206,024
1,300	JPMorgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates Series 2006-LDP9	5.337%	5/15/47	Ba1	1,310,596
700	JPMorgan Chase Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-CB17 AM	5.464%	12/12/43	Ba1	740,461
1,250	JPMorgan Mortgage Acquisition Corporation, Asset-Backed Pass-Through Certificates, Series	0.450%	5/25/37	B3	947,823

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	2007-CH5				
1,238	JPMorgan Mortgage Acquisition Trust, Series 2006-A6	4.788%	10/25/36	Caa2	1,063,517
204	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-A4	2.781%	6/25/37	D	171,906
800	LB UBS Commercial Mortgage Trust, Series 2006-C4	5.886%	6/15/38	Ba2	852,889
1,940	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2	5.800%	8/25/36	Caa2	1,760,952
2,086	Merrill Lynch Mortgage Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-3	3.124%	6/25/37	D	1,645,659
325	Merrill Lynch Mortgage Investors Trust, Mortgage Loan Asset-Backed Certificates, 2005-A9	2.610%	12/25/35	CCC	313,758
1,200	Merrill Lynch Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C1 AM	5.749%	6/12/50	B	1,262,947
1,100	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.894%	8/12/49	BB	1,164,389
2,340	Morgan Stanley Capital I Inc., Mortgage Pass-Through Certificates, Series 2006- HE1	0.469%	1/25/36	CCC	2,071,902
1,230	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-HQ8	5.678%	3/12/44	Ba1	1,252,577
625	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.546%	10/12/52	Baa3	642,714
440	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through	5.546%	10/12/52	Ba1	441,200

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	Certificates				
1,200	2006-TOP21, 144A Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-IQ14	5.691%	4/15/49	Ba2	1,277,966
1,150	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	B1	1,180,293
252	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	2.803%	3/25/36	Caa3	213,946
1,805	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-13	6.000%	10/25/37	D	1,464,223
1,080	Mortgage Asset Securitization Transactions Inc., Adjustable Rate Mortgage Pass-Through Certificates, Series 2007-HF2	0.500%	9/25/37	Caa1	987,797
749	Mortgage IT Trust, Mortgage-Backed Notes, Series 2005-5	0.450%	12/25/35	BB+	700,736
2,149	Mortgage-IT Trust 2005-4	0.446%	10/25/35	BB+	1,969,173

Nuveen Investments

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JMT Nuveen Mortgage Opportunity Term Fund 2
Portfolio of Investments (continued) June 30, 2014 (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
Residential (continued)					
\$ 525	Nomura Asset Acceptance Corporation, Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2005-AP3	5.607%	8/25/35	CCC	\$ 413,010
750	Opteum Mortgage Acceptance Corporation, Asset backed Pass-Through Certificates, Series 2006-1	0.466%	4/25/36	CCC	644,978
190	Popular Asset Backed Securities Mortgage Pass-Through Trust 2005-2 M1	5.417%	4/25/35	B1	159,055
1,472	Renaissance Home Equity Loan Trust 2005-3	4.934%	8/25/35	Ba3	1,427,201
2,158	Renaissance Home Equity Loan Trust Asset Backed Certificates, Series 2007-3	7.238%	9/25/37	CCC	1,424,734
1,291	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6	0.380%	7/25/36	Caa3	1,009,357
493	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 1006-QS10	0.490%	8/25/36	Caa3	311,471
579	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS8	6.000%	6/25/37	Caa3	469,929
2,189	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	3.799%	9/25/35	Caa3	1,844,831
1,347	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	1,198,378

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797	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	638,097
1,019	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA1	3.810%	1/25/36	Caa3	835,342
337	Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS15	6.500%	10/25/36	Ca	274,823
173	Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS8	0.640%	8/25/36	Ca	113,437
950	Residential Asset Mortgage Products Inc. Asset Backed Pass-Through Certificates, Series 2005-RS7	0.690%	7/25/35	Ba3	809,183
2,255	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass-Through Certificates, Series 2006-NC2	0.480%	2/25/36	CCC	1,875,833
214	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates, Series 2005-SA4	3.124%	9/25/35	Caa1	203,417
436	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.212%	4/25/37	Caa2	382,319
1,879	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	3.212%	4/25/37	Caa2	1,649,326
1,689	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	2.433%	2/20/47	CCC	1,467,998
216	Sierra Receivables Funding Company, Series 2011-1A, 144A	6.190%	4/20/26	BB	225,792

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54	Sierra Receivables Funding Company	5.310%	11/20/25	BBB	54,248
22	SMA Issuer LLC 2012-LV1, 144A	3.500%	8/20/25	Baa3	22,215
291	Soundview Home Equity Loan Trust 2004-WMC1 M1, 144A	0.940%	1/25/35	BB+	258,922
1,744	Structured Adjustable Rate Mortgage Loan Pass-Through Trust, Series 2007-6 2A1	0.380%	7/25/37	CCC	1,307,319
280	Structured Agency Credit Risk Debt Notes 2014-DN2	3.752%	4/25/24	N/R	300,257
2,300	Structured Agency Credit Risk Debt Notes, 2013-DN2	4.402%	11/25/23	N/R	2,558,067
70	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4	5.650%	10/25/37	Caa1	63,350
1,954	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	2.959%	2/25/37	D	1,676,885
1,079	TAL Advantage LLC, Series 2013-1A A, 144A	2.830%	2/22/38	A	1,075,100
1,145	Wachovia Bank Commerical Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2005-C17, 144A	5.590%	3/15/42	BB	1,142,767
1,300	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B	1,345,328
455	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.672%	4/15/47	CCC	438,765
925	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series	5.660%	4/15/47	B1	965,663

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	2007-C31				
1,175	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A	5.241%	10/15/44	BB	1,162,298
603	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	2.377%	11/25/36	D	530,254
1,159	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17	0.944%	12/25/46	CCC	961,271
508	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR	5.000%	1/25/37	D	447,179
473	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-HY6	5.452%	6/25/37	D	412,099
1,747	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.373%	12/25/36	D	1,522,523

Nuveen Investments
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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Residential (continued)				
\$ 980	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-AR7	1.104%	7/25/46	CCC	\$ 835,191
1,281	Wells Fargo Alternative Loan Trust, Mortgage Asset Backed Pass-Through Certificates, Series 2007-PA2	6.000%	6/25/37	D	1,235,323
1,953	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates, Series 2007-PA1	6.000%	3/25/37	Caa3	1,753,402
1,024	Wells Fargo Alternative Loan Trust, Mortgage Asset-Backed Pass-Through Certificates Series 2007-PA6	2.877%	12/25/37	D	840,401
243	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificate Series 2006-AR14	2.621%	10/25/36	Caa2	228,266
980	Wells Fargo Mortgage Backed Securities Trust, Mortgage Pass-Through Certificates, Series 2007-AR8	6.085%	11/25/37	Caa2	903,187
2,100	Wells Fargo Mortgage Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	2.921%	12/25/37	Caa3	1,943,681
657	Wells Fargo Mortgage Securities Trust, Mortgage Pass-Through	2.707%	4/25/36	CC	633,175

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	Certificates, Series 2006-AR8		
235,370	Total Residential		171,358,601
	Total Mortgage-Backed Securities (cost		
\$ 235,370	\$160,850,553)		171,358,601

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	ASSET-BACKED SECURITIES	0.5% (0.4% of Total Investments)			
	Wireless Telecommunication Services	0.5%			
	GTP Acquisition Partners I LLC, 144A	4.704%	5/15/18	Ba3	\$ 636,276
\$ 625	Total Asset-Backed Securities (cost				
\$ 625	\$625,000)				636,276
	Total Long-Term Investments (cost \$161,475,553)				171,994,877

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	SHORT-TERM INVESTMENTS	1.0% (0.7% of Total Investments)			
	Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/30/14, repurchase price \$1,191,851, collateralized by \$1,160,000 U.S. Treasury Notes, 2.625%, due 8/15/20, value \$1,218,000	0.000%	7/01/14	N/A	\$ 1,191,851
\$ 1,192					
	Total Short-Term Investments (cost \$1,191,851)				1,191,851
	Total Investments (cost \$162,667,404)	136.5%			173,186,728
	Borrowings (36.4)% (3), (4)				(46,200,000)
	Other Assets Less Liabilities (0.1)%				(84,477)
	Net Assets 100%				\$126,902,251

Investments in Derivatives as of June 30, 2014

Futures Contracts outstanding:

Description	Contract Position	Number of Contracts	Contract Expiration	Notional Amount at Value	Unrealized Appreciation (Depreciation)
U.S. 5-Year Treasury Note	Short	(23)	9/14	\$(2,747,602)	\$ 3,427

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (3) Borrowings as a percentage of Total Investments is 26.7%.
- (4) The Fund segregates 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives) in the Portfolio of Investments as collateral for Borrowings.

I/O Interest only security.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

N/A Not applicable.

See accompanying notes to financial statements.

Statement of**Assets and Liabilities June 30, 2014** (Unaudited)

	Mortgage Opportunity Term Fund (JLS)	Mortgage Opportunity Term Fund 2 (JMT)
Assets		
Long-term investments, at value (cost \$530,471,503 and \$161,475,553, respectively)	\$566,777,278	\$171,994,877
Short-term investments, at value (cost approximates value)	6,607,631	1,191,851
Cash	136,724	40,601
Receivable for:		
Interest	1,655,596	584,873
Investments sold	23,226	208,469
Paydowns	155,610	35,547
Other assets	24,572	4,525
Total assets	575,380,637	174,060,743
Liabilities		
Borrowings	147,200,000	46,200,000
Dividends payable	1,967,192	576,070
Accrued expenses:		
Management fees	514,914	158,132
Interest on borrowings	199,884	62,735
Trustees fees	23,502	1,075
Variation margin on futures contracts	5,078	1,617
Other	131,499	158,863
Total liabilities	150,042,069	47,158,492
Net assets	\$425,338,568	\$126,902,251
Shares outstanding	15,888,417	4,871,277
Net asset value ("NAV") per share outstanding	\$ 26.77	\$ 26.05
Net assets consist of:		
Shares, \$.01 par value per share	\$ 158,884	\$ 48,713
Paid-in surplus	372,785,508	115,762,121
Undistributed (Over-distribution of) net investment income	9,651,701	(478,637)
Accumulated net realized gain (loss)	6,416,749	1,047,303
Net unrealized appreciation (depreciation)	36,325,726	10,522,751
Net assets	\$425,338,568	\$126,902,251
Authorized shares	Unlimited	Unlimited

See accompanying notes to financial statements.

Statement of**Operations Six Months Ended June 30, 2014 (Unaudited)**

	Mortgage Opportunity Term Fund (JLS)	Mortgage Opportunity Term Fund 2 (JMT)
Investment Income	\$ 14,260,041	\$ 4,424,646
Expenses		
Management fees	3,082,615	946,750
Interest expense	1,250,525	392,463
Shareholder servicing agent fees and expenses	84	86
Custodian fees and expenses	63,945	39,823
Trustees fees and expenses	7,734	2,321
Professional fees	68,950	62,099
Shareholder reporting expenses	26,321	12,566
Stock exchange listing fees	4,399	4,404
Investor relations expenses	42,063	14,049
Other expenses	10,809	9,389
Total expenses	4,557,445	1,483,950
Net investment income (loss)	9,702,596	2,940,696
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) from:		
Investments	7,073,756	1,674,428
Futures contracts	(95,712)	(11,887)
Options purchased	151,585	45,309
Change in net unrealized appreciation (depreciation) of:		
Investments	10,613,583	3,970,756
Futures contracts	(135,426)	(37,124)
Net realized and unrealized gain (loss)	17,607,786	5,641,482
Net increase (decrease) in net assets from operations	\$ 27,310,382	\$ 8,582,178

See accompanying notes to financial statements.

Statement of**Changes in Net Assets** (Unaudited)

	Mortgage Opportunity Term Fund (JLS)		Mortgage Opportunity Term Fund 2 (JMT)	
	Six Months Ended 6/30/14	Year Ended 12/31/13	Six Months Ended 6/30/14	Year Ended 12/31/13
Operations				
Net investment income (loss)	\$ 9,702,596	\$ 17,123,899	\$ 2,940,696	\$ 5,167,224
Net realized gain (loss) from:				
Investments	7,073,756	48,981,092	1,674,428	16,966,227
Futures contracts	(95,712)	114,206	(11,887)	17,318
Options purchased	151,585		45,309	
Swaps		52,571		16,216
Change in net unrealized appreciation (depreciation) of:				
Investments	10,613,583	(33,375,923)	3,970,756	(13,160,964)
Futures contracts	(135,426)	121,075	(37,124)	27,349
Swaps		(92,156)		(28,410)
Net increase (decrease) in net assets from operations	27,310,382	32,924,764	8,582,178	9,004,960
Distributions to Shareholders				
From and in excess of net investment income	(12,504,184)		(3,872,665)	
From net investment income		(22,966,633)		(6,959,097)
From accumulated net realized gains		(20,994,421)		(11,022,792)
Return of capital		(900,869)		(143,738)
Decrease in net assets from distributions to shareholders	(12,504,184)	(44,861,923)	(3,872,665)	(18,125,627)
Capital Share Transactions				
Net proceeds from shares issued to shareholders due to reinvestment of distributions		352,608		457,917

Net increase (decrease) in net assets from capital share transactions		352,608		457,917
Net increase (decrease) in net assets	14,806,198	(11,584,551)	4,709,513	(8,662,750)
Net assets at the beginning of period	410,532,370	422,116,921	122,192,738	130,855,488
Net assets at the end of period	\$425,338,568	\$410,532,370	\$126,902,251	\$122,192,738
Undistributed (Over-distribution of) net investment income at the end of period	\$ 9,651,701	\$ 12,453,289	\$ (478,637)	\$ 453,332

See accompanying notes to financial statements.

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Statement of**Cash Flows Six Months Ended June 30, 2014** (Unaudited)

	Mortgage Opportunity Term Fund (JLS)	Mortgage Opportunity Term Fund 2 (JMT)
Cash Flows from Operating Activities:		
Net Increase (Decrease) in Net Assets from Operations	\$ 27,310,382	\$ 8,582,178
Adjustments to reconcile the net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(65,533,606)	(19,869,559)
Proceeds from sales and maturities of investments	81,470,999	26,653,067
Proceeds from (Purchases of) short-term investments, net	(6,607,631)	(1,191,851)
Proceeds from (Payments for) exercised options purchased	151,585	45,309
Amortization (Accretion) of premiums and discounts, net	(2,495,033)	(812,669)
(Increase) Decrease in:		
Receivable for interest	154,597	113,615
Receivable for investments sold	2,337	327,892
Receivable for paydowns	19,044	140,484
Receivable for variation margin on futures contracts	9,719	2,344
Other assets	334	(3,374)
Increase (Decrease) in:		
Payable for variation margin on futures contracts	5,078	1,617
Accrued management fees	(15,458)	(6,458)
Accrued interest on borrowings	18,228	5,139
Accrued Trustees fees	(2,242)	22
Accrued other expenses	20,575	15,182
Net realized (gain) loss from:		
Investments	(7,073,756)	(1,674,428)
Paydowns	127,381	23,158
Options purchased	(151,585)	(45,309)
Change in net unrealized (appreciation) depreciation of investments	(10,613,583)	(3,970,756)
Net cash provided by (used in) operating activities	16,797,365	8,335,603
Cash Flows from Financing Activities:		
Proceeds from borrowings	22,650,000	6,750,000
Increase (Decrease) in:		
Cash overdraft	(6,029,346)	(4,989,028)
Net borrowings through reverse repurchase agreements	(22,744,303)	(6,759,379)

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Cash distributions paid to shareholders	(10,536,992)	(3,296,595)
Net cash provided by (used in) financing activities	(16,660,641)	(8,295,002)
Net Increase (Decrease) in Cash	136,724	40,601
Cash at the beginning of period		
Cash at the end of period	\$ 136,724	\$ 40,601
	Mortgage Opportunity Term Fund (JLS)	Mortgage Opportunity Term Fund 2 (JMT)
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest (excluding borrowing costs)	\$ 1,232,297	\$ 387,324

See accompanying notes to financial statements.

Nuveen Investments

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Financial

Highlights (Unaudited)

Selected data for a share outstanding throughout each period:

	Investment Operations			Less Distributions						Total Returns		
	Net			From								
	Net Realized/	Unrealized		Accumulated	Net	Net	Return		Ending	Based	on	
Beginning	Investment	Gain	Total	Net	Realized	of		Offering	NAV	Market	on	
NAV	(Loss)(a)	(Loss)		Investment	Gains	Capital	Total	Costs	NAV	Value	NAV(e)	
				Income							Value	
Mortgage Opportunity Term Fund (JLS)												
Year ended 12/31:												
2014	\$.61	\$ 1.11	\$ 1.72	\$ (.79)*	\$	\$	\$ (.79)	\$	\$ 26.77	\$ 24.60	6.71%	9.8
2013	1.08	.99	2.07	(1.44)	(1.32)	(.06)	(2.82)		25.84	23.14	7.96	(4.8)
2012	1.27	5.50	6.77	(1.42)	(.65)		(2.07)		26.59	27.22	32.15	45.4
2011	1.91	(3.58)	(1.67)	(1.87)		(.20)	(2.07)		21.89	20.35	(6.90)	(12.6)
2010	1.81	1.90	3.71	(1.71)	(.24)	(.02)	(1.97)	**	25.63	25.50	16.06	10.4
2009	.02	.04	.06					(.05)	23.89	25.00	.06	.0
Mortgage Opportunity Term Fund 2 (JMT)												
Year ended 12/31:												
2014	.60	1.17	1.77	(.80)*			(.80)		26.05	23.80	7.11	7.1
2013	1.06	.79	1.85	(1.43)	(2.26)	(.03)	(3.72)		25.08	22.97	7.05	(1.8)
2012	1.19	6.05	7.24	(1.51)	(.56)		(2.07)		26.95	27.18	34.56	44.8
2011	1.90	(3.73)	(1.83)	(1.92)	(.07)	(.04)	(2.03)		21.78	20.40	(7.48)	(8.5)
2010	1.19	1.96	3.15	(1.13)	(.21)		(1.34)	(.05)	25.64	24.38	13.20	3.0

Borrowings at the End of Period(d)
Aggregate Amount Outstanding (000)
Asset Coverage Per \$1,000

Mortgage Opportunity Term Fund (JLS)	
Year Ended 12/31:	
2014(j)	\$ 147,200
2013	124,550
Mortgage Opportunity Term Fund 2 (JMT)	
2014(j)	\$ 3,890
2013	4,296

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Year Ended 12/31:

2014(j)	46,200	3,747
2013	39,450	4,097

Nuveen Investments

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	Ratios/Supplemental Data			
	Ratios to Average Net Assets(f)			
	Ending Net Assets (000)	Expenses	Net Investment Income (Loss)	Portfolio Turnover Rate(g)(h)
Mortgage Opportunity Term Fund (JLS)				
Year ended 12/31:				
2014(j)	\$ 425,339	2.19%***	4.66%***	12%
2013	410,532	2.22	3.99	22
2012	422,117	1.45	5.22	12
2011	346,832	1.44	7.90	23
2010	405,755	1.30	7.32	109
2009(b)	358,525	1.21***	.96***	0
Mortgage Opportunity Term Fund 2 (JMT)				
Year ended 12/31:				
2014(j)	126,902	2.39***	4.73***	12
2013	122,193	2.38	3.91	21
2012	130,855	1.61	4.84	12
2011	104,621	1.58	7.86	35
2010(c)	123,159	1.45***	5.68***	135

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

(b) For the period November 25, 2009 (commencement of operations) through December 31, 2009.

(c) For the period February 23, 2010 (commencement of operations) through December 31, 2010.

(d) The Fund did not use borrowings prior to the fiscal year ended December 31, 2013.

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

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

(f) • Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to reverse repurchase agreements and/or borrowings, where applicable, each as described in Note 3 Portfolio Securities and Investments in Derivatives and Note 8 Borrowing Arrangements, respectively.

• Each ratio includes the effect of all interest expense paid and other costs related to borrowings and/or reverse repurchase agreements, where applicable, as follows:

	Ratios of Interest Expense to Average Net Assets(d)(i)
--	---

**Mortgage Opportunity Term
Fund (JLS)**

Year ended 12/31:

2014(j)	.60%***
2013	.65
2012	.02

	Ratios of Interest Expense to Average Net Assets(d)(i)
--	---

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

Year ended 12/31:

2014(j)	.63%***
2013	.66
2012	.01

(g) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.

(h) For the fiscal years beginning after December 31, 2011, the Funds no longer exclude dollar roll transactions, where applicable.

(i) The Fund did not invest in reverse repurchase agreements prior to the fiscal year ended December 31, 2012.

(j) For the six months ended June 30, 2014.

* Represents distributions paid "From and in excess of net investment income" for the six months ended June 30, 2014, as described in Note 1 General Information and Significant Accounting Policies, Dividends and Distributions to Shareholders.

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

*** Annualized.

See accompanying notes to financial statements.

Notes to

Financial Statements (Unaudited)

1. General Information and Significant Accounting Policies

General Information

Fund Information

The funds covered in this report and their corresponding New York Stock Exchange ("NYSE") symbols are as follows (each a "Fund" and collectively, the "Funds"):

- Nuveen Mortgage Opportunity Term Fund (JLS) ("Mortgage Opportunity Term (JLS)")
- Nuveen Mortgage Opportunity Term Fund 2 (JMT) ("Mortgage Opportunity Term 2 (JMT)")

The Funds are registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as non-diversified closed-end registered investment companies. Mortgage Opportunity Term (JLS) and Mortgage Opportunity Term 2 (JMT) were organized as Massachusetts business trusts on September 10, 2009 and December 16, 2009, respectively. It is anticipated that Mortgage Opportunity Term (JLS) and Mortgage Opportunity Term 2 (JMT) will terminate on November 30, 2019 and February 28, 2020, respectively. Upon termination, the Funds will distribute all of their assets to shareholders of record as of the date of termination.

Investment Adviser

The Funds' investment adviser is Nuveen Fund Advisors, LLC (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"). The Adviser is responsible for each Fund's overall investment strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with Wellington Management Company, LLP ("Wellington Management") and Nuveen Asset Management, LLC ("NAM"), a subsidiary of the Adviser, (each a "Sub-Adviser" and collectively, the "Sub-Advisers"). Wellington Management manages the Funds' investments in mortgage-backed securities ("MBS") and other permitted investments. NAM manages the Funds' investments in futures, options and swap contracts.

Agreement and Plan of Merger

On April 14, 2014, TIAA-CREF, a national financial services organization, announced that it had entered into an agreement (the "Purchase Agreement") to acquire Nuveen, the parent company of the Adviser. The transaction is expected to be completed by the end of the year, subject to customary closing conditions, including obtaining necessary Nuveen fund and client consents sufficient to satisfy the terms of the Purchase Agreement and obtaining customary regulatory approvals. There can be no assurance that the transaction described above will be consummated as contemplated or that necessary conditions will be satisfied.

The consummation of the transaction will be deemed to be an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Nuveen funds and the Adviser and the investment sub-advisory agreements between the Adviser and each Nuveen fund's sub-adviser or sub-advisers, and will result in automatic termination of each agreement. It is anticipated that the Board of Directors/Trustees

of the Nuveen funds will consider a new investment management agreement with the Adviser and new investment sub-advisory agreements with each sub-adviser.

The transaction is not expected to result in any change in the portfolio management of the Funds or in the Funds' investment objectives or policies.

Investment Objectives

Each Fund's investment objective is to generate attractive total returns through opportunistic investments in MBS. Each Fund seeks to achieve its investment objective by investing primarily in non-agency residential mortgage-backed securities ("RMBS") and commercial mortgage-backed securities ("CMBS"). Each Fund may also invest up to 20% of its managed assets (as defined in Note 7 Management Fees and Other Transactions with Affiliates) in other permitted investments, including cash and cash equivalents, U.S. treasury securities, non-mortgage related asset-backed securities, inverse floating rate securities, municipal securities, interest rate futures, interest rate swaps and swaptions, non-MBS credit default swaps (including swaps based on a credit default swap index, such as the CMBX index) and other synthetic mortgage-related exposure, including equity investments in mortgage real estate investment trusts ("REITs"), as permitted by the 1940 Act.

Nuveen Investments

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Significant Accounting Policies

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

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to earmark securities in the Funds' portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments.

As of June 30, 2014, the Funds' outstanding when-issued/delayed delivery purchase commitments were as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Outstanding when-issued/delayed delivery purchase commitments	\$	\$
<i>Investment Income</i>		

Investment income, which reflects the amortization of premiums and includes accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also reflects paydown gains and losses, if any.

Professional Fees

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment or to pursue other claims or legal actions on behalf of Fund shareholders. If a refund is received for workout expenditures paid in a prior reporting period, such amounts will be recognized as "Legal fee refund" on the Statement of Operations.

Dividends and Distributions to Shareholders

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

Each Fund makes monthly cash distributions to shareholders of a stated dollar amount per share. Subject to approval and oversight by the Funds' Board of Trustees, each Fund seeks to establish a distribution rate that roughly corresponds to the cash flows from its investment strategies through regular monthly distributions (a "Managed Distribution Program"). Total distributions during a calendar year generally will be made from a Fund's net investment income, net realized capital gains and net unrealized capital gains in the Fund's portfolio, if any. The portion of distributions paid attributed to net unrealized gains, if any, is distributed from the Fund's assets and is treated by shareholders as a non-taxable distribution ("Return of

Capital") for tax purposes. In the event that total distributions during a calendar year exceed a Fund's total return on net asset value ("NAV"), the difference will reduce NAV per share. If a Fund's total return on NAV exceeds total distributions during a calendar year, the excess will be reflected as an increase in NAV per share. The final determination of the source and character of all distributions for the fiscal year is made after the end of the fiscal year and is reflected in the financial statements contained in the annual report as of December 31 each year.

The actual character of distributions made by the Funds during the fiscal year ended December 31, 2013 is reflected in the accompanying financial statements.

The distributions made by each Fund during the six months ended June 30, 2014, are provisionally classified as being "From and in excess of net investment income," and those distributions will be classified as being from net investment income, net realized capital gains and/or a return of capital for tax purposes after the fiscal year end. For purposes of calculating "Undistributed (Over distribution of) net investment income" as of June 30, 2014, the distribution amounts provisionally classified as "From and in excess of net investment income" were treated as being entirely from net investment income. Consequently, the financial statements as of June 30, 2014, may reflect an over-distribution of net investment income.

Leverage

Each Fund intends to use leverage to enhance the total return potential of its overall investment strategy. Each Fund intends to limit its combined effective leverage ratio (measured by the aggregate dollar amount of all leverage facilities, whether direct or indirect) to 33% of its managed assets.

Notes to Financial Statements (Unaudited) (continued)

Indemnifications

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

Netting Agreements

In the ordinary course of business, the Funds may enter into transactions subject to enforceable master repurchase agreements, International Swaps and Derivative Association, Inc. ("ISDA") master agreements or other similar arrangements ("netting agreements"). Generally, the right to offset in netting agreements allows each Fund to offset any exposure to a specific counterparty with any collateral received or delivered to that counterparty based on the terms of the agreements. Generally, each Fund manages its cash collateral and securities collateral on a counterparty basis.

As of June 30, 2014, the Funds were invested in repurchase agreements that are subject to netting agreements and further described in Note 3 Portfolio Securities and Investments in Derivatives.

Use of Estimates

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

2. Investment Valuation and Fair Value Measurements

The fair valuation input levels as described below are for fair value measurement purposes.

Investment Valuation

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

Prices of swap contracts are also provided by a pricing service approved by the Nuveen funds' Board of Directors/Trustees using the same methods as described above, and are generally classified as Level 2.

The value of exchange-traded options are based on the closing bid and ask prices. Futures contracts are valued using the closing settlement price, or in the absence of such a price, the last traded price. Exchange-traded options and futures contracts are generally classified as Level 1. Options traded in the over-the-counter market are valued using an evaluated mean price and are generally classified as Level 2.

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

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

Fair Value Measurements

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

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

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

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

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

Mortgage

Opportunity Term

(JLS)	Level 1	Level 2	Level 3	Total
Long-Term Investments*:				
Mortgage-Backed Securities	\$	\$564,675,023	\$	\$564,675,023
Asset-Backed Securities		2,102,255		2,102,255
Short-Term Investments:				
Repurchase Agreements		6,607,631		6,607,631
Investments in Derivatives:				
Futures Contracts**	19,951			19,951
Total	\$19,951	\$573,384,909	\$	\$573,404,860

Mortgage Opportunity Term 2 (JMT)

Long-Term Investments*:				
Mortgage-Backed Securities	\$	\$171,358,601	\$	\$171,358,601
Asset-Backed Securities		636,276		636,276
Short-Term Investments:				
Repurchase Agreements		1,191,851		1,191,851
Investments in Derivatives:				

Futures Contracts**	3,427			3,427
Total	\$ 3,427	\$173,186,728	\$	\$173,190,155

* Refer to the Fund's Portfolio of Investments for industry classifications.

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

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

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making a fair value determination, based on the facts and circumstances specific to the portfolio instrument. Fair value determinations generally will be derived as follows, using public or private market information:

- (i) If available, fair value determinations shall be derived by extrapolating from recent transactions or quoted prices for identical or comparable securities.
- (ii) If such information is not available, an analytical valuation methodology may be used based on other available information including, but not limited to: analyst appraisals, research reports, corporate action information, issuer financial statements and shelf registration statements. Such analytical valuation methodologies may include, but are not limited to: multiple of earnings, discount from market value of a similar freely-traded security, discounted cash flow analysis, book value or a multiple thereof, risk premium/yield analysis, yield to maturity and/or fundamental investment analysis.

Nuveen Investments

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Notes to Financial Statements (Unaudited) (continued)

The purchase price of a portfolio instrument will be used to fair value the instrument only if no other valuation methodology is available or deemed appropriate, and it is determined that the purchase price fairly reflects the instrument's current value.

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

3. Portfolio Securities and Investments in Derivatives**Portfolio Securities***Reverse Repurchase Agreements*

In a reverse repurchase agreement, a Fund sells to the counterparty a security that it holds with a contemporaneous agreement to repurchase the same security at an agreed-upon price and date, with the Fund retaining the risk of loss that is associated with that security. Each Fund segregated assets determined to be liquid by the Adviser to cover its obligations under reverse repurchase agreements. Securities sold under reverse repurchase agreements were recorded as a liability and recognized as "Reverse repurchase agreements" on the Statement of Assets and Liabilities.

Interest payments made on reverse repurchase agreements were recognized as a component of "Interest expense" on the Statement of Operations. In periods of increased demand for the security, a Fund received a fee for use of the security by the counterparty, which may have resulted in interest income to the Fund.

During the current fiscal period the Funds have ceased the use of reverse repurchase agreements, and therefore, as of June 30, 2014, none of the Funds had outstanding reverse repurchase agreements.

During the six months ended June 30, 2014, the average daily balance outstanding and weighted average interest rate on each Fund's reverse repurchase agreements were as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Average daily balance outstanding	\$22,645,000	\$6,730,000
Weighted average interest rate	1.82%	1.74%

Repurchase Agreements

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

The following table presents the repurchase agreements for the Funds that are subject to netting agreements as of the end of the reporting period, and the collateral delivered related to those repurchase agreements.

Fund	Counterparty	Short-Term Investments, at Value	Collateral Pledged (From) Counterparty	Net Exposure
Mortgage Opportunity Term (JLS)	Fixed Income Clearing Corporation	\$ 6,607,631	\$ (6,607,631)	\$
Mortgage Opportunity Term 2 (JMT)	Fixed Income Clearing Corporation	1,191,851	(1,191,851)	

* As of June 30, 2014, the value of the collateral pledged from the counterparty exceeded the value of the repurchase agreements. Refer to the Fund's Portfolio of Investments for details on the repurchase agreements

Investments in Derivatives

Each Fund is authorized to invest in certain derivative instruments, such as futures, options and swap contracts. Each Fund will limit its investments in futures, options on futures and swap contracts to the extent necessary for the Adviser to claim the exclusion from registration by the Commodity Futures Trading Commission as a commodity pool operator with respect to the Fund. The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

Futures Contracts

Upon execution of a futures contract, a Fund is obligated to deposit cash or eligible securities, also known as "initial margin," into an account at its clearing broker equal to a specified percentage of the contract amount. Cash held by the broker to cover initial margin requirements on open futures contracts, if any, is recognized as "Cash collateral at brokers" on the Statement of Assets and Liabilities. Investments in futures contracts obligate a Fund

and the clearing broker to settle monies on a daily basis representing changes in the prior days "mark-to-market" of the open contracts. If a Fund has unrealized appreciation the clearing broker would credit the Fund's account with an amount equal to appreciation and conversely if a Fund has unrealized depreciation the clearing broker would debit the Fund's account with an amount equal to depreciation. These daily cash settlements are also known as "variation margin." Variation margin is recognized as a receivable and/or payable for "Variation margin on futures contracts" on the Statement of Assets and Liabilities.

During the period the futures contract is open, changes in the value of the contract are recognized as an unrealized gain or loss by "marking-to-market" on a daily basis to reflect the changes in market value of the contract, which is recognized as a component of "Change in net unrealized appreciation (depreciation) of futures contracts" on the Statement of Operations. When the contract is closed or expired, a Fund records a realized gain or loss equal to the difference between the value of the contract on the closing date and value of the contract when originally entered into, which is recognized as a component of "Net realized gain (loss) from futures contracts" on the Statement of Operations.

Risks of investments in futures contracts include the possible adverse movement in the price of the securities or indices underlying the contracts, the possibility that there may not be a liquid secondary market for the contracts and/or that a change in the value of the contract may not correlate with a change in the value of the underlying securities or indices.

During the six months ended June 30, 2014, the Funds used five- and/or ten-year U.S. Treasury futures contracts to hedge against potential increases in interest rates.

The average notional amount of futures contracts outstanding during the six months ended June 30, 2014, was as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Average notional amount of futures contracts outstanding*	\$8,886,156	\$2,861,763

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

The following table presents the fair value of all futures contracts held by the Funds as of June 30, 2014, the location of these instruments on the Statement of Assets and Liabilities and the primary underlying risk exposure.

Underlying Derivative Risk	Exposure Instrument	Location on the Statement of Assets and Liabilities		
		Asset Derivatives		(Liability) Derivatives
	Location	Value	Location	Value
Mortgage Opportunity Term (JLS)				
Interest rate	Futures contracts	\$	Payable for variation margin on futures contracts*	\$19,951
Mortgage Opportunity Term 2 (JMT)				
		\$		\$ 3,427

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Interest rate Futures contracts Payable for variation margin on futures contracts*

* Value represents unrealized appreciation (depreciation) of futures contracts as reported in the Fund's Portfolios of Investments and not the cash collateral at brokers, if any, or the receivable or payable for variation margin on futures contracts presented on the Statement of Assets and Liabilities.

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on futures contracts on the Statement of Operations during the six months ended June 30, 2014, and the primary underlying risk exposure.

Fund	Underlying Risk Exposure	Derivative Instrument	Net Realized Gain (Loss) from Futures Contracts	Change in Net Unrealized Appreciation (Depreciation) of Futures Contracts
Mortgage Opportunity Term Fund (JLS)	Interest rate	Futures contracts	\$ (95,712)	\$ (135,426)
Mortgage Opportunity Term Fund 2 (JMT)	Interest rate	Futures contracts	(11,887)	\$ (37,124)
<i>Options Transactions</i>				

The purchase of options involves the risk of loss of all or a part of the cash paid for the options (the premium). The market risk associated with purchasing options is limited to the premium paid. The counterparty credit risk of purchasing options, however, needs also to take into account the current value of the option, as this is the performance expected from the counterparty. When a Fund purchases an option, an amount equal to the premium paid (the premium plus commission) is recognized as a component of "Options purchased, at value" on the Statement of Assets and Liabilities. When a Fund writes an option, an amount equal to the net premium received (the premium less commission) is recognized as a component of "Options written, at value" on the Statement of Assets and Liabilities and is subsequently adjusted to reflect the current value of the written option until the option is exercised or expires or the Fund enters into a closing purchase transaction. The changes in the value of options purchased during the fiscal period are recognized as a component of "Change in net unrealized appreciation (depreciation) of options purchased" on the Statement of Operations. The

Notes to Financial Statements (Unaudited) (continued)

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

During the six months ended June 30, 2014, the Funds briefly held call options on U.S. Treasury futures to protect against continued volatility in the case credit spreads were to widen.

The average notional amount of outstanding options purchased during the six months ended June 30, 2014, was as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Average notional amount of outstanding options purchased*	\$ **	\$ **

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

** The Fund did not hold any options purchased at the beginning of the fiscal year or at the end of each quarter within the current fiscal year.

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on options purchased on the Statement of Operations during the six months ended June 30, 2014, and the primary underlying risk exposure.

Fund	Underlying Risk Exposure	Derivative Instrument	Net Realized Gain (Loss) from Options Written	Change in Net Unrealized Appreciation (Depreciation) of Options Written
Mortgage Opportunity Term (JLS)	Interest rate	Options	\$ 151,585	\$
Mortgage Opportunity Term 2 (JMT)	Interest rate	Options	45,309	

Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in

respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities.

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

4. Fund Shares

Since the inception of the Funds' repurchase programs, the Funds have not repurchased any of their outstanding shares.

Transactions in shares were as follows:

	Mortgage Opportunity Term (JLS)		Mortgage Opportunity Term 2 (JMT)	
	Six Months Ended 6/30/14	Year Ended 12/31/13	Six Months Ended 6/30/14	Year Ended 12/31/13
Shares issued to shareholders due to reinvestment of distributions		12,663		16,386

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5. Investment Transactions

Long-term purchases and sales (including maturities but excluding derivative transactions) during the six months ended June 30, 2014, were as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Purchases	\$65,533,606	\$19,869,559
Sales and maturities	81,470,999	26,653,067

6. Income Tax Information

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its investment company taxable income to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required.

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

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to recognition of taxable income from the feeder Public Private Investment Program funds' investments, recognition of unrealized gain or loss for tax (mark-to-market) on futures contracts and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the NAVs of the Funds.

As of June 30, 2014, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives), as determined on a federal income tax basis, were as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Cost of investments	\$524,657,721	\$162,223,109
Gross unrealized:		
Appreciation	\$ 50,783,498	\$ 11,387,599
Depreciation	(2,056,310)	(423,980)
Net unrealized appreciation (depreciation) of investments	\$ 48,727,188	\$ 10,963,619

Permanent differences, primarily due to investments in MBS, partnership income, return of capital distributions, and distribution character reclassifications, resulted in reclassifications among the Funds' components of net assets as of December 31, 2013, the Funds' last tax year-end, as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Paid-in-surplus	\$ (900,869)	\$ (143,738)
Undistributed (Over-distribution of) net investment income	37,408,135	11,073,586
Accumulated net realized gain (loss)	(36,507,266)	(10,929,848)

The tax components of undistributed net ordinary income and net long-term capital gains as of December 31, 2013, the Funds' last tax year end, were as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Undistributed net ordinary income	\$	\$
Undistributed net long-term capital gains		

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Notes to Financial Statements (Unaudited) (continued)

The tax character of distributions paid during the Funds' last tax year ended December 31, 2013 was designated for purposes of the dividends paid deduction as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Distributions from net ordinary income ¹	\$22,966,633	\$ 7,167,835
Distributions from net long-term capital gains	20,994,421	10,814,054
Return of capital	900,869	143,738

¹ Net ordinary income consists of net taxable income derived from dividends and interest and net current year earnings and profits attributable to realized gains.

The Funds have elected to defer late-year losses in accordance with federal income tax rules. These losses are treated as having arisen on the first day of the current fiscal year. The Funds have elected to defer losses as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term (JMT)
Post-October capital losses ²	\$ 388,148	\$ 586,481
Late-year ordinary losses ³		

² Capital losses incurred from November 1, 2013 through December 31, 2013, the Funds' last tax year end.

³ Specified losses incurred from November 1, 2013 through December 31, 2013.

7. Management Fees and Other Transactions with Affiliates

Pursuant to an investment management agreement between each Fund and the Adviser, the Adviser receives 40% of each Fund's total annual management fee. The Adviser's portion of the management fee compensates the Adviser for overall investment advisory and administrative services provided to each Fund and general office facilities. Pursuant to an investment sub-advisory agreement between each Fund and Wellington Management, Wellington Management receives 60% of each Fund's total annual management fee. NAM is compensated for its services to the Funds from the management fees paid to the Adviser.

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

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

Average Daily Managed Assets⁵	Fund-Level Fee Rate
For the first \$125 million	.9500%
For the next \$125 million	.9375
For the next \$150 million	.9250
For managed assets over \$400 million	.9125

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

Complex-Level Managed Asset Breakpoint Level⁶	Effective Rate at Breakpoint Level
\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1691
\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

⁵ "Managed assets" means the total assets of the Fund, minus the sum of its accrued liabilities (other than the Fund liabilities incurred for the express purpose of creating effective leverage). Total assets for this purpose shall include assets attributable to each Fund's use of effective leverage (whether or not those assets are reflected in the Fund's financial statements for the purposes of U.S. GAAP).

⁶ The complex-level fee is based on the aggregate daily managed assets (as "managed assets" is defined in each Nuveen fund's investment management agreement with the Adviser, which generally includes assets attributable to any preferred shares that may be outstanding and any borrowings (including the issuance of commercial paper or notes)) of the Nuveen funds that constitute "eligible assets." Eligible assets do not include assets attributable to investments in other Nuveen funds and assets in excess of \$2 billion added to the Nuveen fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of June 30, 2014, the complex-level fee rate for each of these Funds was .1653%.

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

As of June 30, 2014, Nuveen owned 4,200 shares of each Fund.

8. Borrowing Arrangements

Borrowings

Each Fund entered into a credit agreement ("Borrowings") with Societe Generale as a means of leverage. Each Fund's maximum commitment amount under its Borrowings is as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Maximum commitment amount	\$ 148,000,000	\$ 46,500,000

As of June 30, 2014, each Fund's outstanding balance on its Borrowings was as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Outstanding balance on Borrowings	\$ 147,200,000	\$ 46,200,000

Nuveen Investments

Notes to Financial Statements (Unaudited) (continued)

During the six months ended June 30, 2014, the average daily balance outstanding and average annual interest rate on each Fund's Borrowings were as follows:

	Mortgage Opportunity Term (JLS)	Mortgage Opportunity Term 2 (JMT)
Average daily balance outstanding	\$140,324,033	\$45,938,950
Average annual interest rate	1.69%	1.69%

In order to maintain these Borrowings, each Fund must meet certain collateral, asset coverage and other requirements. Borrowings outstanding are fully secured by securities held in the Fund's portfolio of investments.

Interest charged on the outstanding balance on Borrowings for each Fund was equal to the 3-Month LIBOR (London Inter-Bank Offered Rate) plus 1.45% per annum on the amount borrowed. In addition to interest expense, each Fund may also pay a fee of 1.45%, which shall accrue daily based on the amount of the difference between 90% of the maximum commitment amount and the drawn balance, when such drawn balance is less than 90% of the maximum commitment amount.

Borrowings outstanding are recognized as "Borrowings" on the Statement of Assets and Liabilities. Interest expense and fees incurred on the Borrowings are recognized as a component of "Interest expense" on the Statement of Operations.

9. New Accounting Pronouncement

Financial Accounting Standards Board ("FASB") Financial Services Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements

During 2013, the FASB issued Accounting Standards Update ("ASU") 2013-08, "Financial Services Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements," which amends the criteria that define an investment company and clarifies the measurement guidance and requires new disclosures for investment companies. ASU 2013-08 is effective for fiscal years beginning on or after December 15, 2013. Management has evaluated the implications of ASU 2013-08 and determined that each Fund's current disclosures already followed this guidance and therefore it does not have an impact on the Funds' financial statements or footnote disclosures.

10. Subsequent Events

As previously described in Note 1 General Information and Significant Accounting Policies, Agreement and Plan of Merger, the new investment management agreements and the new sub-advisory agreements have been approved by shareholders of the Funds.

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

Additional

Fund Information

Board of Trustees

William Adams IV*	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	John K. Nelson
William J. Schneider	Thomas S. Schreier, Jr.*	Judith M. Stockdale	Carole E. Stone	Virginia L. Stringer	Terence J. Toth

* Interested Board Member.

Fund Manager	Custodian	Legal Counsel	Independent Registered Public Accounting Firm	Transfer Agent and Shareholder Services
Nuveen Fund Advisors, LLC 333 West Wacker Drive Chicago, IL 60606	State Street Bank & Trust Company Boston, MA 02111	Chapman and Cutler LLP Chicago, IL 60603	PricewaterhouseCoopers LLP Chicago, IL 60606	State Street Bank & Trust Company Nuveen Funds P.O. Box 43071 Providence, RI 02940-3071 (800) 257-8787

Quarterly Form N-Q Portfolio of Investments Information

Each Fund is required to file its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. You may obtain this information directly from the SEC. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC toll-free at (800) SEC-0330 for room hours and operation.

Nuveen Funds' Proxy Voting Information

You may obtain (i) information regarding how each fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com and (ii) a description of the policies and procedures that each fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll free at (800) 257-8787. You may also obtain this information directly from the SEC. Visit the SEC on-line at <http://www.sec.gov>.

CEO Certification Disclosure

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

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

Share Information

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

	JLS	JMT
Shares Repurchased		

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

FINRA BrokerCheck

The Financial Industry Regulatory Authority (FINRA) provides information regarding the disciplinary history of FINRA member firms and associated investment professionals. This information as well as an investor brochure describing FINRA BrokerCheck is available to the public by calling the FINRA BrokerCheck Hotline number at (800) 289-9999 or by visiting www.FINRA.org.

Glossary of Terms

Used in this Report

- n **Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- n **Barclays U.S. Aggregate Bond Index:** An unmanaged index that includes all investment-grade, publicly issued, fixed-rate, dollar denominated, non-convertible debt issues and commercial mortgage backed securities with maturities of at least one year and outstanding par values of \$150 million or more. Index returns assume reinvestment of distributions, but do not include the effects of any applicable sales charges or management fees.
- n **Collateralized Mortgage Obligations (CMOs):** A type of mortgage-backed security in which principal repayments are organized according to their maturities and into different classes based on risk. A collateralized mortgage obligation is a special purpose entity that receives the mortgage repayments and owns the mortgages it receives cash flows from (called a pool). The mortgages serve as collateral, and are organized into classes based on their risk profile. Income received from the mortgages is passed to investors based on a predetermined set of rules, and investors receive money based on the specific slice of mortgages invested in (called a tranche).
- n **Commercial Mortgage-Backed Securities (CMBS):** Commercial mortgage-backed securities are backed by cash flows of a mortgage or pool of mortgages on commercial real estate. CMBS generally are structured to provide protection to the senior class investors against potential losses on the underlying mortgage loans. CMBS are typically characterized by the following: i) loans on multi-family housing, non-residential property, ii) payments based on the amortization schedule of 25-30 years with a balloon payment due usually after 10 years, and iii) restrictions on prepayments.
- n **Dow Jones Industrial Average:** A price-weighted index of the 30 largest, most widely held stocks traded on the New York Stock Exchange. The index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.
- n **Duration:** Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change.
- n **Effective Leverage:** Effective leverage is a fund's effective economic leverage, and includes both regulatory leverage (see below) and the leverage effects of certain derivative investments in the fund's portfolio that increase the fund's investment exposure.
- n **Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.
- n **Leverage:** Leverage is created whenever a fund has investment exposure (both reward and/or risk) equivalent to more than 100% of the investment capital.

ⁿ **Moody's/RCA Commercial Property Price Index (CPPI):** An index that measures price changes in U.S. commercial real estate based on completed sales of the same commercial properties over time, or the "repeat-sales" methodology. Index returns assume reinvestment of distributions, but do not reflect of any applicable sales charges or management fees.

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n **Mortgage-Backed Securities (MBS):** Mortgage-backed securities (MBS) are bonds backed by pools of mortgages, usually with similar characteristics, and which return principal and interest in each payment. MBS are composed of residential mortgages (RMBS) or commercial mortgages (CMBS). RMBS are further divided into agency RMBS and non-agency RMBS, depending on the issuer.

n **Net Asset Value (NAV) Per Share:** A fund's Net Assets is equal to its total assets (securities, cash, accrued earnings and receivables) less its total liabilities. NAV per share is equal to the fund's Net Assets divided by its number of shares outstanding.

n **Regulatory Leverage:** Regulatory leverage consists of preferred shares issued by or borrowings of a fund. Both of these are part of a fund's capital structure. Regulatory leverage is subject to asset coverage limits set in the Investment Company Act of 1940.

n **Russell 2000® Index:** An index that measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

n **Residential Mortgage-Backed Securities (RMBS):** Residential mortgage-backed securities are securities the payments on which depend primarily on the cash flow from residential mortgage loans made to borrowers that are secured by residential real estate. RMBS consist of agency and non-agency RMBS. Agency RMBS have agency guarantees that assure investors that they will receive timely payment of interest and principal, regardless of delinquency or default rates on the underlying loans. Agency RMBS include securities issued by the Government National Mortgage Association, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and other federal agencies, or issues guaranteed by them. Non-agency RMBS do not have agency guarantees. Non-agency RMBS have credit enhancement built into the structure to shield investors from borrower delinquencies. The spectrum of non-agency residential mortgage loans includes traditional jumbo loans (prime), alternative-A loans (Alt-A), and home equity loans (subprime).

n **S&P 500® Index:** An unmanaged Index generally considered representative of the U.S. stock market. Index returns assume reinvestment of distributions, but do not reflect of any applicable sales charges or management fees.

Reinvest Automatically,

Easily and Conveniently

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

Nuveen Closed-End Funds Automatic Reinvestment Plan

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

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

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

Easy and convenient

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

How shares are purchased

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

Flexible

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

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

another firm and continue to participate in the Plan.

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

Call today to start reinvesting distributions

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

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Annual Investment

Management Agreement Approval Process (Unaudited)

I. The Approval Process

The Board of Trustees of each Fund (each, a "*Board*" and each Trustee, a "*Board Member*"), including the Board Members who are not parties to the Funds' advisory or sub-advisory agreements or "interested persons" of any such parties (the "*Independent Board Members*"), is responsible for overseeing the performance of the investment adviser and the sub-advisers to the respective Fund and determining whether to approve or continue such Fund's advisory agreement (each, an "*Original Investment Management Agreement*") between the Fund and Nuveen Fund Advisors, LLC (the "*Adviser*") and sub-advisory agreements (each, an "*Original Sub-Advisory Agreement*" and, together with the Original Investment Management Agreement, the "*Original Advisory Agreements*") between (a) the Adviser and Nuveen Asset Management, LLC ("*NAM*") and (b) the Fund and Wellington Management Company, LLP ("*Wellington*" and, together with NAM, the "*Sub-Advisers*"). Pursuant to the Investment Company Act of 1940, as amended (the "*1940 Act*"), each Board is required to consider the continuation of the respective Original Advisory Agreements on an annual basis. In addition, prior to its annual review, the Board Members were advised of the potential acquisition of Nuveen Investments, Inc. ("*Nuveen*") by TIAA-CREF (the "*Transaction*"). For purposes of this section, references to "Nuveen" herein include all affiliates of Nuveen Investments, Inc. providing advisory, sub-advisory, distribution or other services to the Funds and references to the "Board" refer to the Board of each Fund. In accordance with the 1940 Act and the terms of the Original Investment Management Agreements, the completion of the Transaction would terminate each of the Original Investment Management Agreements. In accordance with those terms, the original Sub-Advisory agreements will also terminate except the Original Sub-Advisory Agreement between Wellington and Nuveen Mortgage Opportunity Term Fund 2 (the "*Mortgage Fund 2*") will not terminate with the termination of the Original Investment Management Agreement for the Mortgage Fund 2. Accordingly, at an in-person meeting held on April 30, 2014 (the "*April Meeting*"), the Board, including all of the Independent Board Members, performed its annual review of the Original Advisory Agreements and approved the continuation of the Original Advisory Agreements for the Funds. Furthermore, in anticipation of the termination of the Original Advisory Agreements that would occur upon the consummation of the Transaction, the Board also approved a new advisory agreement (each, a "*New Investment Management Agreement*") between each Fund and the Adviser and new sub-advisory agreements (each, a "*New Sub-Advisory Agreement*" and, together with the New Investment Management Agreements, the "*New Advisory Agreements*") between (a) the Adviser and NAM, on behalf of each Fund, and (b) Nuveen Mortgage Opportunity Term Fund (the "*Mortgage Fund*") and Wellington, to be effective following the completion of the Transaction and the receipt of the requisite shareholder approval.

Leading up to the April Meeting, the Independent Board Members had several meetings and deliberations, with and without management from Nuveen present and with the advice of legal counsel, regarding the Original Advisory Agreements, the Transaction and its impact and the New Advisory Agreements. At its meeting held on February 25-27, 2014 (the "*February Meeting*"), the Board Members met with a senior executive representative of TIAA-CREF to discuss the proposed Transaction. At the February Meeting, the Independent Board Members also established an ad hoc committee comprised solely of the Independent Board Members to monitor and evaluate the Transaction and to keep the Independent Board Members updated with developments regarding the Transaction. On March 20, 2014, the ad hoc committee met telephonically to discuss with management of Nuveen, and separately with independent legal counsel, the terms of the proposed Transaction and its impact on, among other things: the governance structure of Nuveen; the strategic plans for Nuveen; the operations of the Nuveen funds (which include the Funds); the

quality or level of services provided to the Nuveen funds; key personnel that service the Nuveen funds and/or the Board and the compensation or incentive arrangements to retain such personnel; Nuveen's capital structure; the regulatory requirements

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

applicable to Nuveen or fund operations; and the Nuveen funds' fees and expenses, including the funds' complex-wide fee arrangement. Following the meeting of the ad hoc committee, the Board met in person (two Independent Board Members participating telephonically) in an executive session on March 26, 2014 to further discuss the proposed Transaction. At the executive session, the Board met privately with independent legal counsel to review its duties with respect to reviewing advisory agreements, particularly in the context of a change of control, and to evaluate further the Transaction and its impact on the Nuveen funds, the Adviser and the Sub-Advisers (collectively, the "*Fund Advisers*" and each, a "*Fund Adviser*") and the services provided. Representatives of Nuveen also met with the Board to update the Board Members on developments regarding the Transaction, to respond to questions and to discuss, among other things: the governance of the Adviser and the affiliated sub-advisers following the Transaction; the background, culture (including with respect to regulatory and compliance matters) and resources of TIAA-CREF; the general plans and intentions of TIAA-CREF for Nuveen; the terms and conditions of the Transaction (including financing terms); any benefits or detriments the Transaction may impose on the Nuveen funds, TIAA-CREF or the Fund Advisers; the reaction from the employees of the Adviser and the affiliated sub-advisers knowledgeable of the Transaction; the incentive and retention plans for key personnel of the Adviser and the affiliated sub-advisers; the potential access to additional distribution platforms and economies of scale; and the impact of any additional regulatory schemes that may be applicable to the Nuveen funds given the banking and insurance businesses operated in the TIAA-CREF enterprise. As part of its review, the Board also held a separate meeting on April 15-16, 2014 to review the Nuveen funds' investment performance and consider an analysis provided by the Adviser of each sub-adviser of the Nuveen funds (including the Sub-Advisers) and the Transaction and its implications to the Nuveen funds. During their review of the materials and discussions, the Independent Board Members presented the Adviser with questions and the Adviser responded. Further, the Independent Board Members met in an executive session with independent legal counsel on April 29, 2014 and April 30, 2014.

In connection with their review of the Original Advisory Agreements and the New Advisory Agreements, the Independent Board Members received extensive information regarding the Funds and the Fund Advisers including, among other things: the nature, extent and quality of services provided by each Fund Adviser; the organization and operations of any Fund Adviser; the expertise and background of relevant personnel of each Fund Adviser; a review of each Fund's performance (including performance comparisons against the performance of peer groups and appropriate benchmarks); a comparison of Fund fees and expenses relative to peers; a description and assessment of shareholder service levels for the Funds; a summary of the performance of certain service providers; a review of fund initiatives and shareholder communications; and an analysis of the Adviser's profitability with comparisons to peers in the managed fund business. In light of the proposed Transaction, the Independent Board Members, through their independent legal counsel, also requested in writing and received additional information regarding the proposed Transaction and its impact on the provision of services by the Fund Advisers.

The Independent Board Members received, well in advance of the April Meeting, materials which responded to the request for information regarding the Transaction and its impact on Nuveen and the Nuveen funds including, among other things: the structure and terms of the Transaction; the impact of the Transaction on Nuveen, its operations and the nature, quality and level of services provided to the Nuveen funds, including, in particular, any changes to those services that the Nuveen funds may experience following the Transaction; the strategic plan for Nuveen, including any financing arrangements following the Transaction and any cost-cutting efforts that may impact services; the organizational structure of TIAA-CREF, including the governance structure of Nuveen following the Transaction; any anticipated effect on each Nuveen fund's expense ratios (including changes to advisory and sub-advisory fees) and economies of scale that may be expected; any benefits or conflicts of interest that TIAA-CREF, Nuveen or

their affiliates can expect from the Transaction; any benefits or undue burdens or other negative implications that may be imposed on the Nuveen funds as a result of the Transaction; the impact on Nuveen or the Nuveen funds as a result of being subject to additional regulatory schemes that TIAA-CREF must comply with in operating its various businesses; and the costs associated with

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obtaining necessary shareholder approvals and the bearer of such costs. The Independent Board Members also received a memorandum describing the applicable laws, regulations and duties in approving advisory contracts, including in conjunction with a change of control, from their independent legal counsel.

The materials and information prepared in connection with the review of the Original Advisory Agreements and New Advisory Agreements supplemented the information and analysis provided to the Board during the year. In this regard, throughout the year, the Board, acting directly or through its committees, regularly reviewed the performance and various services provided by the Adviser and the Sub-Advisers. The Board met at least quarterly as well as at other times as the need arose. At its quarterly meetings, the Board reviewed reports by the Adviser regarding, among other things, fund performance, fund expenses, premium and discount levels of closed-end funds, the performance of the investment teams and compliance, regulatory and risk management matters. In addition to regular reports, the Adviser provided special reports to the Board or a committee thereof from time to time to enhance the Board's understanding of various topics that impact some or all the Nuveen funds (such as distribution channels, oversight of omnibus accounts and leverage management topics), to update the Board on regulatory developments impacting the investment company industry or to update the Board on the business plans or other matters impacting the Adviser. The Board also met with key investment personnel managing certain Nuveen fund portfolios during the year.

In addition, the Board has created several standing committees (the Executive Committee; the Dividend Committee; the Audit Committee; the Compliance, Risk Management and Regulatory Oversight Committee; the Nominating and Governance Committee; the Open-End Funds Committee; and the Closed-End Funds Committee). The Open-End Funds Committee and Closed-End Funds Committee are intended to assist the full Board in monitoring and gaining a deeper insight into the distinctive business practices of closed-end and open-end funds. These two Committees have met prior to each quarterly Board meeting, and the Adviser provided presentations to these Committees permitting them to delve further into specific matters or initiatives impacting the respective product line.

Further, the Board continued its program of seeking to have the Board Members or a subset thereof visit each sub-adviser to the Nuveen funds and meet key investment and business personnel at least once over a multiple year rotation. In this regard, the Independent Board Members made site visits to certain NAM equity and fixed income teams in September 2013 and met with the NAM municipal team at the August and November 2013 quarterly meetings.

The Board considered the information provided and knowledge gained at these meetings and visits during the year when performing its annual review of the Original Advisory Agreements and its review of the New Advisory Agreements. The Independent Board Members also were assisted throughout the process by independent legal counsel. During the course of the year and during their deliberations regarding the review of advisory contracts, the Independent Board Members met with independent legal counsel in executive sessions without management present. In addition, it is important to recognize that the management arrangements for the funds are the result of many years of review and discussion between the Independent Board Members and Nuveen fund management and that the Board Members' conclusions may be based, in part, on their consideration of fee arrangements and other factors developed in previous years.

The Board considered all factors it believed relevant with respect to each Fund, including, among other things: (a) the nature, extent and quality of the services provided by the Fund Advisers, (b) the investment performance of the Fund and the Fund Advisers, (c) the advisory fees and costs of the services to be provided to the Fund and the profitability of the Fund Advisers, (d) the extent of any economies of scale, (e) any benefits derived by the Fund Advisers from the relationship with the Fund and (f) other factors. With

respect to the New Advisory Agreements, the Board also considered the Transaction and its impact on the foregoing factors. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to a Fund's Original Advisory Agreements and New Advisory Agreements. The Independent Board Members did not identify any single

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

factor as all-important or controlling. The Independent Board Members' considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. Nature, Extent and Quality of Services