

Nuveen Mortgage Opportunity Term Fund
Form N-CSR
March 08, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

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

Investment Company Act file number 811-22329
Nuveen Mortgage Opportunity Term Fund

(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Gifford R. Zimmerman

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: December 31, 2017

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen
Closed-End Funds

Annual Report December 31, 2017

JLS
Nuveen Mortgage Opportunity Term Fund

JMT
Nuveen Mortgage Opportunity Term Fund 2

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Chairman's Letter

to Shareholders

Dear Shareholders,

Financial markets ended 2017 on a high note. Concurrent growth across the world's major economies, strong corporate profits, low inflation and accommodative central banks provided an optimal environment for rising asset prices with remarkably low volatility. Political risks, which were expected to be a wildcard in 2017, did not materialize. The Trump administration achieved one of its major policy goals with the passage of the Tax cuts and Jobs Act, the European Union (EU) member governments elected EU-friendly leadership, Brexit negotiations moved forward and China's 19th Party Congress concluded with no major surprises in its economic policy objectives.

Conditions have turned more volatile in 2018, but the positive fundamentals underpinning the markets' rise over the past year remain intact. In early February, fears of rising inflation, which could prompt more aggressive action by the Federal Reserve, triggered a widespread sell-off across U.S. and global equity markets. Yet, global economies are still expanding and corporate earnings look healthy.

We do believe volatility will feature more prominently in 2018. Interest rates continue to rise and inflation pressures are mounting and investors are uncertain about how markets will react amid tighter financial conditions. After the relative calm of the past few years, it's anticipated that price fluctuations will begin trending toward a more historically normal range. But we also note that signs foreshadowing recession are lacking at this point.

Maintaining perspective can be difficult with daily headlines focused predominantly on short-term news. Nuveen believes this can be an opportune time to check in with your financial advisor. Strong market appreciation such as that in 2017 may create an imbalance in a diversified portfolio. Your advisor can help you reexamine your investment goals and risk tolerance, and realign your portfolio's investment mix appropriately. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

William J. Schneider

Chairman of the Board

February 23, 2018

Portfolio Manager s

Comments

Nuveen Mortgage Opportunity Term Fund (JLS)

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

The investment adviser for both Funds is Nuveen Fund Advisors, LLC (NFA), an affiliate of Nuveen, LLC. NFA is responsible for determining each Fund s overall investment strategy and monitoring the performance of Wellington Management Company LLP (Wellington Management), the sub-adviser for both Funds. Wellington Management is responsible for implementing each Fund s direct investments in mortgage-backed securities and other permitted investments. Michael F. Garrett serves as portfolio manager for these Funds.

Here Michael reviews U.S. economic and financial markets, his management strategy and the performance of the Funds for the twelve-month reporting period ended December 31, 2017.

What factors affected the U.S. economy and financial markets during the twelve-month reporting period ended December 31, 2017?

The U.S. economy began the year at a sluggish pace but gained momentum mid-year, growing at an annualized rate above 3% in the second and third quarters of 2017. In the final three months of 2017, the economy slowed slightly to 2.6%, as reported by the Bureau of Economic Analysis advance estimate of fourth-quarter gross domestic product (GDP). GDP is the value of goods and services produced by the nation s economy less the value of the goods and services used up in production, adjusted for price changes.

Although the hurricanes temporarily weakened shopping and dining out activity, consumer spending remained the main driver of demand in the economy, as consumers benefited from employment and wage gains. Business investment, which had been lackluster in the recovery so far, accelerated in 2017, and hiring continued to boost employment. As reported by the Bureau of Labor Statistics, the unemployment rate fell to 4.1% in December 2017 from 4.7% in December 2016 and job gains averaged around 171,000 per month for the past twelve months. Higher energy prices, especially gasoline, helped drive a steady increase in inflation over this reporting period. The Consumer Price Index (CPI) increased 2.1% over the twelve-month reporting period ended December 31, 2017 on a seasonally adjusted basis, as reported by the Bureau of Labor Statistics. The core CPI (which excludes food and energy) increased 1.8% during the same period, slightly below the Federal Reserve s (Fed) unofficial longer term inflation objective of 2.0%.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy or sell securities, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor s objectives and circumstances and in consultation with his or her advisors.

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

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

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

Portfolio Managers Comments (continued)

The housing market also continued to improve, with historically low mortgage rates and low inventory driving home prices higher. The S&P CoreLogic Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 6.2% annual gain in November 2017 (most recent data available at the time this report was prepared). The 10-City and 20-City Composites reported year-over-year increases of 6.1% and 6.4%, respectively.

With the U.S. economy delivering a sustainable growth rate and employment strengthening, the Fed's policy making committee raised its main benchmark interest rate in December 2016, March 2017, June 2017 and December 2017. These moves were widely expected by the markets, as were the Fed's decisions to leave rates unchanged at the July, September and October/November 2017 meetings. (There was no August meeting.) The Fed also announced it would begin reducing its balance sheet in October 2017 by allowing a small amount of maturing Treasury and mortgage securities to roll off without reinvestment. The market expects the pace to remain moderate and predictable, with minimal market disruption.

While the markets remained comfortable with the course of monetary policy during this reporting period, the political environment was frequently a source of uncertainty. Markets were initially highly optimistic about pricing in the new administration's pro-growth fiscal agenda after Donald Trump won the election. After stumbling with health care reform earlier in 2017, legislators passed a major tax overhaul at the end of December, which lowered individual and corporate tax rates. While the new tax law changes are expected to be stimulative to the economy, there are some concerns that it could pose challenges to the Fed's ability to manage interest rates in the future. Although incoming Fed Chairman Jerome Powell is expected to maintain the course established by outgoing Chair Janet Yellen, after her term expired in February 2018, markets may deem this as another source of uncertainty.

Geopolitical risks were prominent, but some concerns eased by the end of the period. Rhetoric surrounding U.S. trade with China and the renegotiation of the North American Free Trade Agreement (NAFTA) was toned down. After an uncertain start, the Brexit talks between the U.K. and European Union progressed to the next phase. Closely watched elections in the Netherlands, France and Germany yielded market friendly results. Tensions between the U.S. and North Korea intensified but did not have a lasting impact on the markets.

Commercial mortgage-backed securities (CMBS) posted positive absolute returns during the twelve-month reporting period ending December 31, 2017. Spreads on the Bloomberg Barclays CMBS index ended the reporting period 13 basis points tighter amid a positive macroeconomic backdrop and supportive technicals. In this environment, spread tightening was most pronounced in lower rated tranches, reflecting investors increased appetite for risk. Retail headlines emphasizing poor sales trends and store closures at some retailers persisted throughout the reporting period. Most sectors seemed to look past the news, implying that CMBS had already discounted a lot of the negative retail theme. However, synthetic CMBX subordinate indexes, especially series 6, came under significant pressure due to its exposure to lower quality Class B and Class C malls. Supply and demand dynamics were broadly positive throughout the reporting period. After a slowdown in the first quarter, new issuance picked up and maintained a healthy pace for the balance of the reporting period. Outside of the structural issues in the retail sector, commercial real estate fundamentals were generally strong. National property prices gained 8.9% year-to-date through November 2017 as the Real Capital Analytics National Commercial Property Price Index pushed to new highs.

The non-agency residential-backed mortgage securities (RMBS) sector generated some of the strongest returns among the major fixed income sectors during the reporting period. Strong housing market fundamentals and persistent demand for higher yielding assets fueled returns in the sector. Spreads in the Credit Risk Transfer (CRT) market compressed, with mezzanine tranches reaching their tightest levels since issuance began in 2013. The legacy RMBS sector also performed well as all collateral types (subprime, Alt-A, pay-option ARM, prime) generated strong excess

returns. Housing market indicators continued to point to a healthy sector overall. Sales and homebuilding activity weakened in the South, but rebounded strongly after the effects of the hurricanes faded. The low supply of existing homes combined with solid demand for housing continued to fuel year-over-year home prices gains, pushing the S&P CoreLogic Case-Shiller U.S. National Home Price Index to new highs.

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What key strategies were used to manage the Funds during this twelve-month reporting period ended December 31, 2017?

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

During the reporting period, we maintained our constructive outlook for CMBS, and 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 the downside. The Funds' portfolio' s exposure to credit risk transfer (CRT) securities increased, as that market continues to grow and we find attractive opportunities to invest. We divested some of the legacy holdings, as the loan count and size of the deals declined.

How did the Funds perform during this twelve-month reporting period ended December 31, 2017?

The tables in the Performance Overview and Holding Summaries section of this report provide total returns for the one-year, five-year and since inception periods ended December 31, 2017. Each Fund' s total returns at net asset value (NAV) are compared with the performance of a corresponding market index. For the twelve-month reporting period, JLS and JMT 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 the broader securitized sectors generated positive returns for the twelve-month reporting period.

Within the Funds, returns for the reporting period were positive across the broad sectors. The primary contributor to the Funds' returns was the allocation to residential credit, particularly CRT and the legacy sectors (Alt-A, Prime, and Subprime). An allocation to CMBS also positively impacted performance over the reporting period, particularly in multi-family credit bonds, post-crisis CMBS, and single borrower deals. Lastly, the Funds allocation to asset-backed securities (ABS), particularly autos, and collateralized loan obligations (CLOs), was modestly additive.

There were select bonds that underperformed throughout the reporting period but collateralized mortgage obligation (CMOs) was the only sector which posted a negative excess return.

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

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

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

As of December 31, 2017, the Funds' percentages of leverage are as shown in the accompanying table.

	JLS	JMT
Effective Leverage*	27.28%	28.43%
Regulatory Leverage*	27.28%	28.43%

*Effective leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. A Fund, however, may from time to time borrow on a typically transient basis in connection with its day-to-day operations, primarily in connection with the need to settle portfolio trades. Such incidental borrowings are excluded from the calculation of a Fund's effective leverage ratio. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

THE FUNDS' REGULATORY LEVERAGE*Bank Borrowings*

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

Fund	Current Reporting Period				Subsequent to the Close of the Reporting Period			
	January 1, 2017	Drawn	Paydown	December 31, 2017	Average Balance Outstanding	Drawn	Paydown	February 27, 2018
JLS	\$ 147,200,000	\$	\$	\$ 147,200,000	\$ 147,200,000	\$	\$	\$ 147,200,000
JMT	\$ 46,200,000	\$	\$	\$ 46,200,000	\$ 46,200,000	\$	\$	\$ 46,200,000

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

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

The following information regarding the Funds' distributions is current as of December 31, 2017, each Fund's fiscal year end (FYE) and tax year end, and may differ from previously issued distribution notifications.

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

The figures in the table below provide the sources (for financial reporting purposes) of each Fund's distributions as of December 31, 2017. These sources include amounts attributable to realized gains and/or returns of capital. The Funds attribute these non-income sources equally to each regular distribution throughout the fiscal year. The information shown below is for the distributions paid on common shares for all prior months in the current fiscal year. These amounts should not be used for tax reporting purposes, and the distribution sources may differ for financial reporting than for tax reporting. The final determination of the tax characteristics of all distributions paid in 2017 will be made in early 2018 and reported to you on Form 1099-DIV. More details about the tax characteristics of each Fund's distributions are available on www.nuveen.com/CEFdistributions.

Data as of December 31, 2017

Fund	Fiscal YTD Percentage of the Distribution			Fiscal YTD Per Share Amounts			
	Net Investment Income	Realized Gains	Return of Capital	Total Distributions	Net Investment Income	Realized Gains	Return of Capital
JLS (FYE 12/31)	58.58%	41.42%	0.00%	\$ 3.3182	\$ 1.9439	\$ 1.3743	\$ 0.0000
JMT (FYE 12/31)	56.76%	43.24%	0.00%	\$ 3.1051	\$ 1.7626	\$ 1.3425	\$ 0.0000

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

Data as of December 31, 2017

Fund	Inception Date	Latest Monthly Current Distribution on		Annualized 1-Year Return on		Cumulative 5-Year Return on		Fiscal YTD
		Per Share	Per Share	Return on	Return on	Fiscal	Fiscal	

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		Distribution	NAV	NAV	Distributions on NAV	Distributions on NAV	YTD Return on NAV
JLS (FYE 12/31)	11/25/2009	\$ 0.1135	5.51%	12.21%	7.14%	7.87%	12.21%
JMT (FYE 12/31)	2/23/2010	\$ 0.1125	5.65%	12.01%	6.91%	7.38%	12.01%

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Share Information (continued)**SHARE REPURCHASES**

During August 2017, the Funds' Board of Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of December 31, 2017, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their outstanding shares as shown in the accompanying table.

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

OTHER SHARE INFORMATION

As of December 31, 2017, and during the current reporting period, the Funds' share prices were trading at a premium/(discount) to their NAVs as shown in the accompanying table.

	JLS	JMT
NAV	\$ 24.70	\$ 23.88
Share price	\$ 24.69	\$ 23.74
Premium/(Discount) to NAV	(0.04)%	(0.59)%
12-month average premium/(discount) to NAV	(3.68)%	(3.97)%

Risk

Considerations

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

Nuveen Mortgage Opportunity Term Fund (JLS)

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

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

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

JLS**Nuveen Mortgage Opportunity Term Fund****Performance Overview and Holding Summaries as of December 31, 2017**

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

Average Annual Total Returns as of December 31, 2017

	Average Annual		
	1-Year	5-Year	Since Inception
JLS at NAV	12.21%	7.14%	9.05%
JLS at Share Price	16.79%	7.21%	8.85%
Bloomberg Barclays U.S. Aggregate Bond Index	3.54%	2.10%	3.41%

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

Share Price Performance Weekly Closing Price

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

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

Fund Allocation

(% of net assets)

Mortgage-Backed Securities	130.6%
Asset-Backed Securities	13.6%
Other Assets Less Liabilities	(6.7)%
Net Assets Plus Borrowings	137.5%
Borrowings	(37.5)%
Net Assets	100%

Credit Quality

(% of total investments)

U.S. Treasury/Agency	9.8%
AAA	0.7%
AA	3.7%
A	3.9%
BBB	24.9%
BB or Lower	34.7%
N/R (not rated)	22.3%
Total	100%

JMT**Nuveen Mortgage Opportunity Term Fund 2****Performance Overview and Holding Summaries as of December 31, 2017**

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

Average Annual Total Returns as of December 31, 2017

	Average Annual		
	1-Year	5-Year	Since Inception
JMT at NAV	12.01%	6.91%	9.01%
JMT at Share Price	16.34%	7.23%	8.78%
Bloomberg Barclays U.S. Aggregate Bond Index	3.54%	2.10%	3.49%

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

Share Price Performance Weekly Closing Price

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

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

Fund Allocation

(% of net assets)

Mortgage-Backed Securities	132.4%
Asset-Backed Securities	13.5%
Other Assets Less Liabilities	(6.2)%
Net Assets Plus Borrowings	139.7%
Borrowings	(39.7)%
Net Assets	100%
Credit Quality	

(% of total investments)

U.S. Treasury/Agency	10.7%
AAA	0.7%
AA	3.9%
A	4.1%
BBB	23.8%
BB or Lower	35.6%
N/R (not rated)	21.2%
Total	100%

Report of

Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of

Nuveen Mortgage Opportunity Term Fund and

Nuveen Mortgage Opportunity Term Fund 2

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Mortgage Opportunity Term Fund and Nuveen Mortgage Opportunity Term Fund 2 (the Funds) as of December 31, 2017, the related statements of operations and of cash flows for the year ended December 31, 2017, the statements of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of December 31, 2017, the results of each of their operations and each of their cash flows for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Funds management. Our responsibility is to express an opinion on the Funds financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois

February 27, 2018

We have served as the auditor of one or more investment companies in Nuveen Funds since 2002.

JLS

Nuveen Mortgage Opportunity Term Fund
Portfolio of Investments

December 31, 2017

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
LONG-TERM INVESTMENTS 144.2% (100.0% of Total Investments)					
MORTGAGE-BACKED SECURITIES 130.6% (90.6% of Total Investments)					
\$ 3,200	280 Park Avenue Mortgage Trust, Series 2017-280P, 144A, (1-Month LIBOR reference rate + 2.119% spread), (3)	3.363%	9/15/34	BB	\$ 3,192,023
2,117	Angel Oak Mortgage Trust, Series 2016-1, 144A	3.500%	7/25/46	N/R	2,126,372
874	Angel Oak Mortgage Trust, Series 2016-1, 144A	3.644%	1/25/47	A	876,561
1,539	Angel Oak Mortgage Trust, Series 2017-2, 144A	2.478%	7/25/47	AAA	1,524,832
1,616	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	1,427,547
3,125	Banc of America Merrill Lynch Large Loan Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-200P, 144A	3.716%	4/14/33	BB	2,995,899
1,405	Banc of America Mortgage Securities Inc., Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	1,342,144
5,330	Bank of America Commercial Mortgage Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-UBS7	3.167%	9/15/48	BBB	4,366,816
2,305	Bank of America Commercial Mortgage Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-UBS7, 144A	3.261%	9/15/48	BB	1,481,398
4,397	Bank of America Funding Trust, 2007-A 2A1, (1-Month LIBOR reference rate + 0.160% spread), (3)	1.443%	2/20/47	CCC	4,238,413
2,990	Bayview Opportunity Master Fund Trust, 2016-CRT1, 144A, (1-Month LIBOR reference rate + 1.750% spread), (3)	3.097%	10/27/27	A	2,990,432
5,478	Bayview Opportunity Master Fund Trust, 2017-CRT1, 144A, (1-Month LIBOR reference rate + 2.150% spread), (3)	3.497%	10/25/28	BBB	5,486,495
2,584		3.347%	11/25/27	BBB	2,583,617

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	Bayview Opportunity Master Fund Trust, 2017-CRT2, 144A, (1-Month LIBOR reference rate + 2.000% spread), (3)				
681	Bayview Opportunity Master Fund Trust, 2017-NPL1, 144A	3.598%	1/28/32	N/R	682,043
545	Bayview Opportunity Master Fund Trust, 2017-RN7, 144A	3.105%	9/28/32	N/R	543,651
4,079	Bayview Opportunity Master Fund Trust, 2017-RN8, 144A	3.352%	11/28/32	N/R	4,070,340
3,225	BB UBS Trust, Series 2012-SHOW, 144A	4.160%	11/5/36	Baa1	3,134,300
5,386	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2006-AA2, (1-Month LIBOR reference rate + 0.170% spread), (3)	1.499%	1/25/37	Caa3	5,077,828
4,258	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007 AA1 2A1, (1-Month LIBOR reference rate + 0.180% spread), (3)	1.509%	3/25/37	Caa3	4,062,234
2,140	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	3.440%	2/25/47	N/R	2,018,631
6,490	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5, (1-Month LIBOR reference rate + 0.480% spread), (3)	1.808%	10/25/35	BB	6,420,003
3,550	Chaseflex Trust Series 2007-2, (1-Month LIBOR reference rate + 0.280% spread), (3)	1.832%	5/25/37	CCC	3,354,303
730	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-GC29, 144A	3.110%	4/10/48	BBB	548,182
981	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CD3, 144A	3.250%	2/10/50	BBB	810,038
2,275	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CD4, 144A	3.300%	5/10/50	BBB	1,882,255
740	Citigroup Mortgage Loan Inc., Mortgage Pass Through Certificates, Series 2006-AR2	3.564%	3/25/36	Caa2	656,991
733	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2005-3	3.706%	8/25/35	Caa2	670,609
915	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-AR8	3.587%	7/25/37	Caa2	845,534
315	Commercial Mortgage Pass- Through Certificates 2012-CR3, 144A	4.755%	10/15/45	A	305,034
3,250	Commercial Mortgage Pass- Through Certificates, Series CR5 A4, 144A	4.478%	12/10/45	Baa3	2,922,153

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2,700	Commercial Mortgage Pass-Through Certificates, Series 2017-CR9, 144A	4.396%	7/10/45	BBB	2,321,367
1,130	Core Industrial Trust, Series 2015-CALW, 144A	3.979%	2/10/34	B	1,093,727
427	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-6CB	5.750%	5/25/36	Ca	315,766

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 3,734	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY7C A1, (1-Month LIBOR reference rate + 0.140% spread), (3)	1.468%	8/25/37	Caa2	\$ 3,351,577
1,339	Countrywide CHL Mortgage Pass-Through Trust 2006-HYB1	3.249%	3/20/36	Caa3	1,154,744
824	Countrywide CHL Mortgage Pass-Through Trust Series 2005-HY10	3.631%	2/20/36	Caa2	776,097
3,067	Countrywide Home Loans Mortgage Pass Through Certificates, Series 2005-HYB7	3.276%	11/20/35	Caa3	2,786,142
671	Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2006-2	3.378%	5/25/36	D	628,601
3,910	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C1, 144A	3.941%	4/15/50	BBB	3,435,129
4,700	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C3	3.503%	8/15/48	BBB	3,661,483
1,804	Fannie Mae Connecticut Avenue Securities, Series 2014-C04, (1-Month LIBOR reference rate + 4.900% spread), (3)	6.228%	11/25/24	Baa1	2,064,496
2,600	Fannie Mae Connecticut Avenue Securities, Series 2016-C03, (1-Month LIBOR reference rate + 5.900% spread), (3)	7.228%	10/25/28	B	3,016,778
3,780	Fannie Mae Connecticut Avenue Securities, Series 2013-C01, (1-Month LIBOR reference rate + 5.250% spread), (3)	6.578%	10/25/23	BB+	4,388,028
2,223	Fannie Mae REMIC Pass-Through Certificates	0.000%	6/25/36	N/R	1,931,650
2,598	Fannie Mae, Connecticut Ave Securities, Series 2015-C04, (1-Month LIBOR reference rate + 5.550% spread), (3)	6.878%	4/25/28	BB	2,924,805

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474	Fannie Mae, Connecticut Ave Securities, Series 2015-C04, (1-Month LIBOR reference rate + 5.700% spread), (3)	7.028%	4/25/28	B	544,809
2,028	Fannie Mae, Connecticut Avenue Securities, Series 2015-C01, (1-Month LIBOR reference rate + 4.550% spread), (3)	5.878%	2/25/25	BB	2,167,994
576	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03, (1-Month LIBOR reference rate + 5.000% spread), (3)	6.328%	7/25/25	B	649,732
3,070	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03, (1-Month LIBOR reference rate + 5.000% spread), (3)	6.328%	7/25/25	BB	3,379,228
2,969	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05, (1-Month LIBOR reference rate + 10.750% spread), (3)	12.078%	1/25/29	N/R	3,989,397
2,448	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.778%	1/25/29	B	2,727,625
3,800	Fannie Mae, Connecticut Avenue Securities, Series 2016-C06, (1-Month LIBOR reference rate + 4.250% spread), (3)	5.578%	4/25/29	B+	4,322,758
1,675	Fannie Mae, Connecticut Avenue Securities, Series 2016-C07, (1-Month LIBOR reference rate + 9.500% spread), (3)	10.828%	5/25/29	N/R	2,160,318
6,445	Fannie Mae, Connecticut Avenue Securities, Series 2017-C02, (1-Month LIBOR reference rate + 5.500% spread), (3)	6.828%	9/25/29	N/R	7,149,703
4,100	Fannie Mae, Connecticut Avenue Securities, Series 2017-C03, (1-Month LIBOR reference rate + 4.850% spread), (3)	6.178%	10/25/29	N/R	4,482,834
3,235	Fannie Mae, Connecticut Avenue Securities, Series 2017-C03, (1-Month LIBOR reference rate + 0.950% spread), (3)	2.278%	10/25/29	Baa3	3,260,340
3,550	Fannie Mae, Connecticut Avenue Securities, Series 2017-C04, (1-Month LIBOR reference rate + 5.050% spread), (3)	6.378%	11/25/29	N/R	3,819,918
1,645	Fannie Mae, Connecticut Avenue Securities, Series 2017-C04, (1-Month LIBOR reference rate + 2.850%	4.178%	11/25/29	B	1,710,073

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	spread), (3)				
3,745	Fannie Mae, Connecticut Avenue Securities, Series 2017-C05, (1-Month LIBOR reference rate + 3.600% spread), (3)	4.928%	1/25/30	N/R	3,730,750
3,380	Fannie Mae, Connecticut Avenue Securities, Series 2017-C05, (1-Month LIBOR reference rate + 2.200% spread), (3)	3.528%	1/25/30	B3	3,414,721
3,400	Fannie Mae, Connecticut Avenue Securities, Series 2017-C06, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.778%	2/25/30	N/R	3,507,486
1,180	Fannie Mae, Connecticut Avenue Securities, Series 2017-C06, (1-Month LIBOR reference rate + 4.150% spread), (3)	5.478%	2/25/30	N/R	1,227,950
2,100	Fannie Mae, Connecticut Avenue Securities, Series 2017-C07, (1-Month LIBOR reference rate + 4.000% spread), (3)	5.243%	5/25/30	N/R	2,177,518
1,815	Fannie Mae, Connecticut Avenue Securities, Series 2017-C07, (1-Month LIBOR reference rate + 2.500% spread), (3)	3.743%	5/25/30	B	1,868,707
2,506	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	2,139,878
1,562	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	1,333,167
2,126	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates Series 2005-A7	3.186%	9/25/35	Caa2	2,047,676

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 17,710	Freddie Mac Collateralized Mortgage REMIC Series 4338, (I/O)	2.490%	6/25/42	N/R	\$ 2,355,205
4,045	Freddie Mac Mortgage Trust, 144A	3.389%	7/25/22	Baa3	3,884,872
1,305	Freddie Mac Mortgage Trust, 144A	3.976%	8/25/27	Baa2	1,220,778
665	Freddie Mac Mortgage Trust, 144A	4.079%	9/25/49	A3	667,895
4,435	Freddie Mac Mortgage Trust, 144A	3.365%	5/25/45	AA	4,441,136
1,531	Freddie Mac Mortgage Trust, 144A	3.742%	7/25/46	Baa1	1,505,397
980	Freddie Mac Mortgage Trust, 144A	3.487%	11/25/23	BBB	977,723
1,740	Freddie Mac Mortgage Trust, 144A	4.012%	2/25/24	BBB	1,687,979
2,300	Freddie Mac Mortgage Trust, 144A, (1-Month LIBOR reference rate + 3.250% spread), (3)	4.493%	3/25/27	N/R	2,299,579
1,790	Freddie Mac Mortgage Trust, 144A, (1-Month LIBOR reference rate + 2.550% spread), (3)	3.793%	6/25/27	N/R	1,789,977
1,388	Freddie Mac Mortgage Trust, 144A	5.278%	9/25/43	N/R	1,467,595
1,400	Freddie Mac Mortgage Trust, 144A	3.966%	7/25/49	BBB	1,375,475
3,250	Freddie Mac Multifamily Aggregation Period Risk Transfer Trust, Series 2017-KT01, 144A	4.566%	2/25/20	N/R	3,225,077
3,175	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, 144A	3.951%	8/25/47	A3	3,205,465
2,000	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.125%	2/25/46	A3	2,031,791
3,160	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K44, 144A	3.810%	1/25/48	BBB	3,023,114
1,295	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K714, 144A	3.980%	1/25/47	Baa1	1,297,957
1,688	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K721, 144A	3.681%	11/25/47	Baa1	1,707,073
1,288	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K54, 144A	4.189%	4/25/48	BBB	1,249,497
1,299	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K56, 144A	4.073%	6/25/49	BBB	1,253,988
905	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2017-K728, 144A	3.647%	9/25/24	BBB	867,557
1,095		3.726%	10/25/49	BBB	1,043,027

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	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2017-K728, 144A				
1,320	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2017-KF40, 144A, (1-Month LIBOR reference rate + 2.700% spread), (3)	4.072%	11/25/27	N/R	1,319,998
580	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K59, 144A	3.695%	11/25/49	A	573,602
6,745	Freddie Mac Multifamily Structured Pass-Through Certificates FHMS K068, (I/O)	1.996%	10/25/44	N/R	1,031,567
4,406	Freddie Mac Multifamily Structured Pass-Through Certificates FHMS K068, (I/O)	2.130%	10/25/47	N/R	686,190
17,405	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.811%	11/25/40	N/R	1,281,934
22,841	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.714%	7/25/41	N/R	1,798,037
16,460	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.782%	9/25/41	N/R	1,361,491
13,300	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.206%	1/25/42	N/R	1,523,511
19,158	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K049, (I/O)	1.550%	10/25/43	N/R	1,868,725
4,220	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K061, (I/O)	2.205%	5/25/27	N/R	661,611
6,516	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K065, (I/O)	2.182%	7/25/45	N/R	1,041,957
31,850	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K714, (I/O)	1.851%	1/25/42	N/R	1,480,322
1,630	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.909%	1/25/43	N/R	132,231
13,450	Freddie Mac Multifamily Structures Pass-Through Certificates, Series 2011-K012, (I/O)	2.252%	1/25/41	N/R	850,159
775	Freddie Mac MultiFamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	792,938

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 15,800	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	N/R	\$ 399,944
4,900	General Electric Capital Commercial Mortgage Corporation, Commercial Mortgage Pass-Through Certificates, Series 2007-C1	5.606%	12/10/49	B	4,959,647
2,123	Ginnie Mae Mortgage Pool, (I/O)	4.000%	9/16/26	N/R	228,102
12,080	Ginnie Mae Mortgage Pool, (I/O)	3.000%	12/16/27	N/R	1,152,906
301	Ginnie Mae Mortgage Pool	3.000%	1/20/40	N/R	290,086
450	Ginnie Mae Mortgage Pool	3.000%	2/16/40	N/R	426,979
1,760	Ginnie Mae Mortgage Pool	3.000%	11/20/41	N/R	1,675,320
1,535	Ginnie Mae Mortgage Pool	2.500%	9/20/42	N/R	1,394,044
1,650	Ginnie Mae Mortgage Pool	3.500%	8/16/43	N/R	1,678,341
783	Ginnie Mae Mortgage Pool	3.000%	3/20/44	N/R	745,383
2,557	Ginnie Mae Mortgage Pool	3.500%	8/20/44	N/R	2,599,171
2,542	Ginnie Mae Mortgage Pool	3.000%	9/20/44	N/R	2,424,705
1,948	GMAC Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AR5	3.022%	9/19/35	CC	1,516,998
2,399	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AF2	6.000%	12/25/35	N/R	2,133,588
1,955	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	3.838%	4/19/36	Caa3	1,835,711
3,719	Goldman Sachs GSAA Home Equity Trust, Series 2007-8, (1-Month LIBOR reference rate + 0.450% spread), (3)	1.779%	8/25/37	B1	3,500,983
1,275	Goldman Sachs Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2017-500K, 144A, (1-Month LIBOR reference rate + 1.800% spread), (3)	3.051%	7/15/32	N/R	1,276,850
230	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1	3.467%	3/25/47	D	212,234
4,115	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2014-GC20, 144A	5.020%	4/10/47	BBB	2,722,842

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1,699	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2015-GC32, 144A	2.753%	5/10/49	BBB	1,355,593
2,370	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2017-GS5, 144A	3.509%	3/10/50	BBB	2,018,695
2,625	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2017-GS6, 144A	3.243%	5/10/50	BBB	2,134,435
1,710	Goldman Sachs Mortgage Securities Trust, Series 2014-GC18	5.109%	1/10/47	A3	1,766,308
944	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	N/R	110,753
2,182	GSR Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-AR2	3.612%	5/25/37	D	1,910,068
1,526	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	3.392%	7/25/37	Caa2	1,424,072
2,551	IndyMac INDX Mortgage Loan Trust, Series 07-AR5	3.505%	5/25/37	Ca	2,353,519
3,075	IndyMac INDX Mortgage Loan Trust, Series 2005-AR11	3.314%	8/25/35	Caa3	2,784,272
380	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	3.368%	11/25/35	Caa3	354,437
632	IndyMac INDX Mortgage Loan Trust, Series 2006-AR11	3.634%	6/25/36	Ca	585,513
1,300	InSite Issuer LLC, Series 2016-1A, 144A	6.414%	11/15/46	BB	1,326,277
940	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	3.778%	6/25/36	Caa2	894,089
671	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A5	6.000%	1/25/37	Caa3	562,955
1,705	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass Through Certificates, Series 2011-C5, 144A	5.588%	8/15/46	Baa3	1,689,628
5,000	JPMorgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates Series 2006-LDP9	5.337%	5/15/47	Ba1	5,003,038
2,550	JPMorgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates 2012-C8, 144A	3.977%	10/15/45	AA+	2,614,701
3,658	JPMorgan JPMBB Commercial Mortgage Securities Trust, Pass-Through Certificates, Series 2014-C23, 144A	4.106%	9/15/47	BBB	3,151,783
2,136	JPMorgan Mortgage Acquisition Trust, Series 2006-A6	3.574%	10/25/36	Caa2	1,933,679

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1,045	JPMBD Commercial Mortgage Securities Trust, Series 2016-C4, 144A	3.224%	12/15/49	BBB	820,956
1,244	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-2, 144A, (1-Month LIBOR reference rate + 2.000% spread), (3)	3.242%	2/1/22	N/R	1,275,913
736	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-3, 144A, (1-Month LIBOR reference rate + 2.000% spread), (3)	3.242%	4/1/22	N/R	735,312

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 2,085	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-6, 144A, (1-Month LIBOR reference rate + 1.750% spread), (3)	2.992%	9/1/22	N/R	\$ 2,086,006
3,112	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-7, 144A, (1-Month LIBOR reference rate + 1.750% spread), (3)	2.992%	10/1/22	N/R	3,107,222
2,074	LSTAR Securities Investment Trust, Mortgage Pass Through Certificates, Series 2017-8, 144A, (1-Month LIBOR reference rate + 1.650% spread), (3)	2.894%	11/1/22	N/R	2,073,282
2,056	Merrill Lynch Mortgage-Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2, (HI5T1Y reference rate + 2.400% spread), (3)	4.010%	8/25/36	Caa2	2,007,668
3,015	Merrill Lynch Mortgage-Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-3	3.608%	6/25/37	D	2,507,978
4,475	MFRA Trust, Series 2017-NPL1, 144A	3.352%	11/25/47	N/R	4,466,969
1,100	Mill City Mortgage Loan Trust, Series 2016-1, 144A	2.500%	4/25/57	Aaa	1,093,317
1,251	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.980%	8/12/49	BB	1,256,990
2,045	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.408%	10/12/52	Ba2	1,422,671
1,525	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.408%	10/12/52	B2	131,652
2,623	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	Ba2	2,646,341
2,025	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2008-T29, 144A	6.497%	1/11/43	BBB	2,019,710
1,510	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK2, 144A	3.000%	11/15/49	BBB	1,210,676
5,205	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CLS, 144A, (1-Month LIBOR reference rate + 2.600% spread), (3)	3.850%	11/15/34	B3	5,209,908

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5,030	Morgan Stanley Mortgage Capital Holdings LLC, Series 2017-237P, 144A	3.865%	9/13/39	BB	4,549,831
1,978	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	3.468%	3/25/36	Caa3	1,740,375
400	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-15AR	3.387%	11/25/37	CCC	371,356
2,627	Mortgage IT Trust, Mortgage-Backed Notes, Series 2006-1, (1-Month LIBOR reference rate + 0.200% spread), (3)	1.529%	4/25/36	Ca	2,332,115
574	Nationstar HECM Loan Trust, Series 2017-1A, 144A	1.968%	5/25/27	Aaa	572,936
548	New Residential Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2016-3A, 144A	3.250%	9/25/56	Aaa	552,356
1,164	Oak Hill Advisors Residential Loan Trust, Series 2017-NPL1, 144A	3.000%	6/25/57	N/R	1,162,756
1,832	Opteum Mortgage Acceptance Corporation, Asset backed Pass-Through Certificates, Series 2006-1, (1-Month LIBOR reference rate + 0.300% spread), (3)	1.629%	4/25/36	CCC	1,757,193
2,579	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6, (1-Month LIBOR reference rate + 0.190% spread), (3)	1.519%	7/25/36	Caa3	2,357,304
3,932	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	4.280%	9/25/35	Caa3	3,305,264
2,342	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	2,208,906
1,383	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	1,149,880
1,129	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA6	4.040%	5/25/35	Caa3	919,890
873	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA1	4.374%	1/25/36	Caa3	752,999
7,295	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass Through Certificates, Series 2006-NC2, (1-Month LIBOR reference rate + 0.290% spread), (3)	1.619%	2/25/36	Aa3	7,044,869
1,542	Residential Funding Mortgage Securities I Inc., Mortgage Pass-Through Certificates Series 2007-SA3	4.689%	7/27/37	N/R	1,370,406
924		4.699%	9/25/36	N/R	747,444

Residential Funding Mortgage Securities
I Inc., Mortgage Pass-Through
Certificates, Series 2006-SA3

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

December 31, 2017

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 1,758	Residential Funding Mortgage Securities I, Mortgage Pass-Through Certificates, Series 2007-SA2	4.018%	4/25/37	Caa2	\$ 1,681,636
1,001	Residential Funding Mortgage Securities Inc. Mortgage Pass-Through Certificates Series 2006-SA2	4.594%	8/25/36	N/R	933,481
3,282	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.345%	2/20/47	D	2,931,718
3,443	Structured Adjustable Rate Mortgage Loan Pass-Through Trust, Series 2007-6 2A1, (1-Month LIBOR reference rate + 0.190% spread), (3)	1.519%	7/25/37	CCC	3,169,852
3,825	Structured Agency Credit Risk Debt Notes, 2013-DN2, (1-Month LIBOR reference rate + 4.250% spread), (3)	5.578%	11/25/23	BB	4,256,367
1,141	Structured Agency Credit Risk Debt Notes, Series 2015-DNA1, (1-Month LIBOR reference rate + 9.200% spread), (3)	10.528%	10/25/27	N/R	1,543,031
950	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3, (1-Month LIBOR reference rate + 4.700% spread), (3)	6.028%	4/25/28	BB	1,122,185
4,397	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3, (1-Month LIBOR reference rate + 2.850% spread), (3)	4.178%	4/25/28	BBB+	4,550,974
3,697	Structured Agency Credit Risk Notes, Series 2014-HQ2, (1-Month LIBOR reference rate + 2.200% spread), (3)	3.528%	9/25/24	Aa3	3,814,197
499	Structured Agency Credit Risk Notes, Series 2015-HQA1, (1-Month LIBOR reference rate + 8.800% spread), (3)	10.128%	3/25/28	N/R	629,097
2,257	Structured Agency Credit Risk Notes, Series 2015-HQA2, (1-Month LIBOR reference rate + 10.500% spread), (3)	11.828%	5/25/28	N/R	3,116,633
4,340	Structured Agency Credit Risk Notes, Series 2016-DNA1, (1-Month LIBOR reference rate + 5.550% spread), (3)	6.878%	7/25/28	Ba2	5,249,794

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4,775	Structured Agency Credit Risk Notes, Series 2016-DNA1, (1-Month LIBOR reference rate + 2.900% spread), (3)	4.228%	7/25/28	Baa1	4,920,674
250	Structured Agency Credit Risk Notes, Series 2016-DNA2, (1-Month LIBOR reference rate + 10.500% spread), (3)	11.828%	10/25/28	N/R	348,512
1,550	Structured Agency Credit Risk Notes, Series 2016-DNA4, (1-Month LIBOR reference rate + 3.800% spread), (3)	5.128%	3/25/29	B	1,730,056
3,055	Structured Agency Credit Risk Notes, Series 2016-DNA4, (1-Month LIBOR reference rate + 1.300% spread), (3)	2.628%	3/25/29	BBB	3,100,545
4,880	Structured Agency Credit Risk Notes, Series 2016-HQA1, (1-Month LIBOR reference rate + 2.750% spread), (3)	4.078%	9/25/28	BBB	5,016,600
3,283	Structured Agency Credit Risk Notes, Series 2016-HQA2, (1-Month LIBOR reference rate + 2.250% spread), (3)	3.578%	11/25/28	Baa2	3,367,730
2,498	Structured Agency Credit Risk Notes, Series 2016-HQA3, (1-Month LIBOR reference rate + 9.000% spread), (3)	10.328%	3/25/29	N/R	3,141,757
2,325	Structured Agency Credit Risk Notes, Series 2016-HQA3, (1-Month LIBOR reference rate + 3.850% spread), (3)	5.178%	3/25/29	B+	2,588,904
4,074	Structured Agency Credit Risk Notes, Series 2016-HQA3, (1-Month LIBOR reference rate + 1.350% spread), (3)	2.678%	3/25/29	BBB	4,133,498
1,784	Structured Agency Credit Risk Notes, Series 2016-HQA4, (1-Month LIBOR reference rate + 8.750% spread), (3)	10.078%	4/25/29	N/R	2,177,226
4,260	Structured Agency Credit Risk Notes, Series 2016-HQA4, (1-Month LIBOR reference rate + 1.300% spread), (3)	2.628%	4/25/29	BBB	4,315,849
1,650	Structured Agency Credit Risk Notes, Series 2017-DNA2, (1-Month LIBOR reference rate + 11.250% spread), (3)	12.578%	10/25/29	N/R	1,652,559
1,985	Structured Agency Credit Risk Notes, Series 2017-DNA2, (1-Month LIBOR reference rate + 5.150% spread), (3)	6.478%	10/25/29	N/R	2,210,088
1,000	Structured Agency Credit Risk Notes, Series 2017-DNA2, (1-Month LIBOR reference rate + 3.450% spread), (3)	4.778%	10/25/29	B+	1,087,815
920	Structured Agency Credit Risk Notes, Series 2017-DNA3, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.778%	3/25/30	N/R	985,629
5,450	Structured Agency Credit Risk Notes, Series 2017-HQA1, (1-Month LIBOR reference rate + 5.000% spread), (3)	6.328%	8/25/29	N/R	5,865,314
1,300	Structured Agency Credit Risk Notes, Series 2017-HQA1, (1-Month LIBOR reference rate + 3.550% spread), (3)	4.878%	8/25/29	B2	1,403,073

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3,900	Structured Agency Credit Risk Notes, Series 2017-HQA2, (1-Month LIBOR reference rate + 4.750% spread), (3)	6.078%	12/25/29	N/R	4,117,583
2,645	Structured Agency Credit Risk Notes, Series 2017-HQA3, (1-Month LIBOR reference rate + 4.750% spread), (3)	6.078%	10/25/24	BBB	2,925,529
410	Structured Agency Credit Risk Notes, Series 2017-HQA3, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.778%	4/25/30	N/R	428,859

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 925	Structured Agency Credit Risk Notes, Series 2017-HRP1, (1-Month LIBOR reference rate + 2.500% spread), (3)	3.907%	12/25/42	N/R	\$ 834,374
956	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificate Series 2007-4	3.879%	10/25/37	Caa1	910,468
2,019	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.576%	2/25/37	N/R	1,705,834
1,320	TMSQ Mortgage Trust, Series 2014-1500, 144A	3.835%	10/10/36	Baa1	1,277,336
3,180	US Residential Opportunity Fund Trust, Series 2017-1III, 144A	3.352%	11/27/37	N/R	3,170,996
2,645	Vericrest Opportunity Loan Transferee, Series 2017-NP11, 144A	4.625%	10/25/47	N/R	2,614,804
1,248	Vericrest Opportunity Loan Transferee, Series 2017-NPL1, 144A	3.250%	5/25/47	N/R	1,250,746
4,567	Vericrest Opportunity Loan Transferee, Series 2017-NPL3, 144A	3.500%	3/25/47	N/R	4,586,798
2,203	Vericrest Opportunity Loan Transferee, Series 2017-NPL4, 144A	3.375%	4/25/47	N/R	2,212,160
2,600	Vericrest Opportunity Loan Transferee, Series 2017-NPL5, 144A	5.375%	5/28/47	N/R	2,600,280
4,990	Vericrest Opportunity Loan Transferee, Series 2017-NPL7, 144A	5.375%	4/25/59	N/R	4,989,787
2,275	Vericrest Opportunity Loan Transferee, Series 2017-NPL8, 144A	5.000%	6/25/47	N/R	2,265,913
831	Vericrest Opportunity Loan Transferee, Series 2017-NPL9, 144A	3.125%	9/25/47	N/R	830,947
2,250	VNO Mortgage Trust, Series 2012-6AVE, 144A	3.337%	11/15/30	A	2,258,384
2,278	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B+	2,323,750
1,366	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	6.159%	4/15/47	B3	1,398,599
1,912	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.660%	4/15/47	A+	1,941,333
3,825		5.468%	10/15/44	B+	2,352,956

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	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A				
1,168	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	2.963%	11/25/36	D	1,114,174
1,790	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR	2.630%	1/25/37	D	1,646,092
4,021	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17, (12MTA reference rate + 0.820% spread), (3)	1.822%	12/25/46	Caa3	3,628,778
1,214	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-HY1, (1-Month reference rate + 0.160% spread), (3)	1.488%	2/25/37	Caa3	981,494
1,604	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2006-5	6.000%	7/25/36	Ca	1,319,104
3,819	Washington Mutual Mortgage Securities Corporation, Pass-Through Certificates, Series 2006-AR	2.936%	12/25/36	N/R	3,438,404
1,881	Washington Mutual Mortgage Securities Corporation. Mortgage Pass-Through Certificates, Series 2006-AR7, (12MTA reference rate + 0.980% spread), (3)	1.982%	7/25/46	Caa3	1,787,157
2,335	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-LC22	4.693%	9/15/58	BBB	2,082,141
4,850	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-NXS1	4.239%	5/15/48	BBB	4,306,961
735	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage-Pass-Through Certificates, Series 2016-BNK1, 144A	3.000%	8/15/49	BBB	588,483
2,378	Wells Fargo Mortgage-Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	3.660%	12/28/37	Caa3	2,305,108
2,430	Wells Fargo-RBS Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2014-C20, 144A	3.986%	5/15/47	N/R	1,862,406
\$ 714,942	Total Mortgage-Backed Securities (cost \$503,356,535)				512,500,712

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
ASSET-BACKED SECURITIES					
13.6% (9.4% of Total Investments)					
\$ 1,550	Alm Loan Funding Trust, Series 2013-7RA, 144A, (3-Month LIBOR reference rate + 4.040% spread), (3)	5.399%	10/15/28	Baa3	\$ 1,602,652
2,590	Atlas Senior Loan Fund Ltd, Series 2012 -2A, 144A, (3-Month LIBOR reference rate + 3.900% spread), (3)	5.278%	1/30/24	BBB+	2,599,630
1,545	Avant Loans Funding Trust, Series 2017-B, 144A	3.380%	4/15/21	N/R	1,547,192
1,360	Avery Point CLO Limited, Series 2014-5A, 144A, (3-Month LIBOR reference rate + 3.100% spread), (3)	4.453%	7/17/26	Baa3	1,362,944

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

December 31, 2017

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
ASSET-BACKED SECURITIES (continued)					
\$ 755	BlueMountain Collateralized Loan Obligation, Series 2014-1A, 144A, (3-Month LIBOR reference rate + 3.450% spread), (3)	4.828%	4/30/26	BBB	\$ 757,383
2,305	Bowman Park CLO Limited, Series 2014-1A, 144A, (3-Month LIBOR reference rate + 3.350% spread), (3)	4.812%	11/23/25	BBB	2,322,702
1,850	Carlyle Global Market Strategies, Collateralized Loan Obligations, Series 2014-3A, 144A, (3-Month LIBOR reference rate + 3.270% spread), (3)	4.644%	7/27/26	Baa1	1,865,066
840	Carlyle Global Market Strategies, Collateralized Loan Obligations, Series 2014-4A, 144A, (3-Month LIBOR reference rate + 3.600% spread), (3)	4.959%	10/15/26	Baa2	841,475
2,100	CIFC Funding Limited, Series 2014-3A, 144A, (3-Month LIBOR reference rate + 3.150% spread), (3)	4.513%	7/22/26	Baa3	2,108,822
915	Consumer Loan Underlying Bond Credit Trust, Series 2017-NP1, 144A	3.560%	1/15/24	N/R	914,170
465	CPS Auto Trust, 144A	2.300%	7/15/21	AA	463,061
1,180	Honor Automobile Trust, Series 2016-1A, 144A	5.760%	4/15/21	BBB	1,218,504
1,995	Magnetite CLO Limited, Series 2012-7A, 144A, (3-Month LIBOR reference rate + 3.750% spread), (3)	5.109%	1/15/25	A2	2,002,362
2,500	Octagon Investment Partners, Series 2013-1A, 144A, (3-Month LIBOR reference rate + 3.050% spread), (3)	4.417%	10/25/25	BBB	2,500,738
970	Octagon Investment Partners, Series 2014-1A, 144A, (3-Month LIBOR reference rate + 3.500% spread), (3)	4.859%	4/15/26	Baa2	970,811
3,500	OneMain Financial Issuance Trust, Series 2016-2A, 144A	4.100%	3/20/28	A+	3,545,195
4,041	Prestige Auto Receivables Trust, Series 2016-2A, 144A	3.910%	11/15/22	BBB	4,054,995
774	Prosper Marketplace Issuance Trust, Series 2017-2A, 144A	3.480%	9/15/23	BBB	775,732
780		4.853%	7/17/26	Baa3	782,661

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Seneca Park CLO Limited, Asset Backed Securities, Series 2014-1A, 144A, (3-Month LIBOR reference rate + 3.500% spread), (3)

5,500	Sofi Consumer Loan Program Trust, Series 2016-3, 144A	4.490%	12/26/25	N/R	5,628,230
1,310	Sofi Consumer Loan Program Trust, Series 2017-3, 144A	2.770%	5/25/26	AA	1,310,443
1,409	Sofi Consumer Loan Program Trust, Series 2017-4, 144A	2.500%	5/26/26	AA	1,404,720
1,550	United Auto Credit Securitization Trust, Series 2017-1, 144A	5.090%	3/10/23	BB	1,538,662
2,600	Westlake Auto Receivables Trust, Series 2015-3A, 144A	5.890%	7/15/22	BB	2,650,176
2,000	Westlake Auto Receivables Trust, Series 2017-1A, 144A	5.050%	8/15/24	BB	2,031,299
3,015	Westlake Auto Receivables Trust, Series 2017-1A, 144A	3.460%	10/17/22	BBB	3,027,416
3,595	Westlake Auto Receivables Trust, Series 2017-2A, 144A	3.280%	12/15/22	BBB	3,564,095
\$ 52,994	Total Asset-Backed Securities (cost \$53,454,625)				53,391,136
	Total Investments (cost \$556,811,160)	144.2%			565,891,848
	Borrowings	(37.5)%	(4), (5)		(147,200,000)
	Other Assets Less Liabilities	(6.7)%			(26,239,115)
	Net Assets	100%			\$ 392,452,733

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
- (3) Variable rate security. The rate shown is the coupon as of the end of the reporting period.
- (4) Borrowings as a percentage of Total Investments is 26.0%.
- (5)

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

(I/O) Interest only security.

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

See accompanying notes to financial statements.

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Nuveen Mortgage Opportunity Term Fund 2
Portfolio of Investments

December 31, 2017

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
LONG-TERM INVESTMENTS		145.9%	(100.0% of Total Investments)		
MORTGAGE-BACKED SECURITIES		132.4%	(90.8% of Total Investments)		
\$ 925	280 Park Avenue Mortgage Trust, Series 2017-280P, 144A, (1-Month LIBOR reference rate + 2.119% spread), (3)	3.363%	9/15/34	BB	\$ 922,694
625	Angel Oak Mortgage Trust, Series 2016-1, 144A	3.500%	7/25/46	N/R	628,190
260	Angel Oak Mortgage Trust, Series 2016-1, 144A	3.644%	1/25/47	A	261,049
456	Angel Oak Mortgage Trust, Series 2017-2, 144A	2.478%	7/25/47	AAA	452,281
492	Banc of America Alternative Loan Trust, Pass-Through Certificates, Series 2006-6	6.000%	7/25/46	Caa3	434,471
925	Banc of America Merrill Lynch Large Loan Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-200P, 144A	3.716%	4/14/33	BB	886,786
468	Banc of America Mortgage Securities Inc, Mortgage Pass-Through Certificates, Series 2007-1	6.000%	3/25/37	Caa3	447,381
1,565	Bank of America Commercial Mortgage Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-UBS7	3.167%	9/15/48	BBB	1,282,189
670	Bank of America Commercial Mortgage Inc., Commercial Mortgage Pass-Through Certificates, Series 2015-UBS7, 144A	3.261%	9/15/48	BB	430,602
1,368	Bank of America Funding Trust, 2007-A 2A1, (1-Month LIBOR reference rate + 0.160% spread), (3)	1.443%	2/20/47	CCC	1,319,008
843	Bayview Opportunity Master Fund Trust, 2016-CRT1, 144A, (1-Month LIBOR reference rate + 1.750% spread), (3)	3.097%	10/27/27	A	843,455
1,621	Bayview Opportunity Master Fund Trust, 2017-CRT1, 144A, (1-Month	3.497%	10/25/28	BBB	1,623,111

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LIBOR reference rate + 2.150% spread),
(3)

765	Bayview Opportunity Master Fund Trust, 2017-CRT2, 144A, (1-Month LIBOR reference rate + 2.000% spread), (3)	3.347%	11/25/27	BBB	765,329
201	Bayview Opportunity Master Fund Trust, 2017-NPL1, 144A	3.598%	1/28/32	N/R	201,679
162	Bayview Opportunity Master Fund Trust, 2017-RN7, 144A	3.105%	9/28/32	N/R	161,701
1,197	Bayview Opportunity Master Fund Trust, 2017-RN8, 144A	3.352%	11/28/32	N/R	1,194,232
975	BB UBS Trust, Series 2012-SHOW, 144A	4.160%	11/5/36	Baa1	947,579
1,660	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2006-AA2, (1-Month LIBOR reference rate + 0.170% spread), (3)	1.499%	1/25/37	Caa3	1,565,152
1,324	BCAP LLC Trust, Mortgage Pass-Through Certificates, Series 2007 AA1 2A1, (1-Month LIBOR reference rate + 0.180% spread), (3)	1.509%	3/25/37	Caa3	1,263,186
510	Bear Stearns Adjustable Rate Mortgage Trust, Pass-Through Certificates, Series 2007-1	3.440%	2/25/47	N/R	481,270
2,000	Carrington Mortgage Loan Trust, Asset Backed Pass-Through Certificates, Series 2005-NC5, (1-Month LIBOR reference rate + 0.480% spread), (3)	1.808%	10/25/35	BB	1,978,429
1,100	Chaseflex Trust Series 2007-2, (1-Month LIBOR reference rate + 0.280% spread), (3)	1.518%	5/25/37	CCC	1,039,454
210	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-GC29, 144A	3.110%	4/10/48	BBB	157,696
290	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CD3, 144A	3.250%	2/10/50	BBB	239,748
685	Citigroup Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CD4, 144A	3.300%	5/10/50	BBB	566,745
97	Citigroup Mortgage Loan Inc., Mortgage Pass Through Certificates, Series 2006-AR2	3.564%	3/25/36	Caa2	86,446
113	Citigroup Mortgage Loan Trust Inc., Mortgage Pass-Through Certificates, Series 2005-3	3.706%	8/25/35	Caa2	103,604
298	Citigroup Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-AR8	3.587%	7/25/37	Caa2	275,221
190		4.755%	10/15/45	A	183,989

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Commercial Mortgage Pass-Through Certificates 2012-CR3, 144A					
970	Commercial Mortgage Pass-Through Certificates, Series CR5 A4, 144A	4.478%	12/10/45	Baa3	872,150
Commercial Mortgage Pass-Through Certificates, Series 2017-CR9, 144A					
950	Commercial Mortgage Pass-Through Certificates, Series 2017-CR9, 144A	4.396%	7/10/45	BBB	816,777
350	Core Industrial Trust, Series 2015-CALW, 144A	3.979%	2/10/34	B	338,765
1,062	Countrywide Alternative Loan Trust, Mortgage Pass-Through Certificates, Series 2006-6CB	5.750%	5/25/36	Ca	784,227

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

December 31, 2017

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 1,147	Countrywide Alternative Loan Trust, Securitization Pass-Through Certificates Series 2007-HY7C A1, (1-Month LIBOR reference rate + 0.140% spread), (3)	1.468%	8/25/37	Caa2	\$ 1,029,570
1,109	Countrywide CHL Mortgage Pass-Through Trust 2006-HYB1	3.249%	3/20/36	Caa3	955,965
952	Countrywide Home Loans Mortgage Pass-Through Certificates, Series 2005-HYB7	3.276%	11/20/35	Caa3	865,121
820	Countrywide Home Loans, Mortgage Pass-Through Trust Series 2007-HY04	3.500%	9/25/47	N/R	765,734
203	Credit Suisse First Boston Mortgage Securities Corporation, Adjustable Rate Mortgage-Backed Pass-Through Certificates, Series 2006-2	3.378%	5/25/36	D	189,985
1,150	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C1, 144A	3.941%	4/15/50	BBB	1,010,332
1,400	CSAIL Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-C3	3.503%	8/15/48	BBB	1,090,655
525	Fannie Mae Connecticut Avenue Securities, Series 2014-C04, (1-Month LIBOR reference rate + 4.900% spread), (3)	6.138%	11/25/24	Baa1	601,056
800	Fannie Mae Connecticut Avenue Securities, Series 2016-C03, (1-Month LIBOR reference rate + 5.900% spread), (3)	7.138%	10/25/28	B	928,239
1,115	Fannie Mae Connecticut Avenue Securities, Series 2013-C01, (1-Month LIBOR reference rate + 5.250% spread), (3)	6.578%	10/25/23	BB+	1,294,352
657	Fannie Mae REMIC Pass-Through Certificates	0.000%	6/25/36	N/R	570,606
762	Fannie Mae, Connecticut Ave Securities, Series 2015-C04, (1-Month LIBOR reference rate + 5.550% spread), (3)	6.788%	4/25/28	BB	857,452
474		7.028%	4/25/28	B	544,809

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Fannie Mae, Connecticut Ave Securities,
Series 2015-C04, (1-Month LIBOR
reference rate + 5.700% spread), (3)

952	Fannie Mae, Connecticut Avenue Securities, Series 2014-C03, (1-Month LIBOR reference rate + 2.900% spread), (3)	4.228%	7/25/24	BB+	1,008,075
594	Fannie Mae, Connecticut Avenue Securities, Series 2015-C01, (1-Month LIBOR reference rate + 4.550% spread), (3)	5.878%	2/25/25	BB	634,535
163	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03, (1-Month LIBOR reference rate + 5.000% spread), (3)	6.238%	7/25/25	B	184,252
917	Fannie Mae, Connecticut Avenue Securities, Series 2015-C03, (1-Month LIBOR reference rate + 5.000% spread), (3)	6.238%	7/25/25	BB	1,009,163
880	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05, (1-Month LIBOR reference rate + 10.750% spread), (3)	12.078%	1/25/29	N/R	1,182,044
717	Fannie Mae, Connecticut Avenue Securities, Series 2016-C05, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.688%	1/25/29	B	798,900
1,200	Fannie Mae, Connecticut Avenue Securities, Series 2016-C06, (1-Month LIBOR reference rate + 4.250% spread), (3)	5.488%	4/25/29	B+	1,365,082
485	Fannie Mae, Connecticut Avenue Securities, Series 2016-C07, (1-Month LIBOR reference rate + 9.500% spread), (3)	10.738%	5/25/29	N/R	625,525
1,910	Fannie Mae, Connecticut Avenue Securities, Series 2017-C02, (1-Month LIBOR reference rate + 5.500% spread), (3)	6.738%	9/25/29	N/R	2,118,841
1,175	Fannie Mae, Connecticut Avenue Securities, Series 2017-C03, (1-Month LIBOR reference rate + 4.850% spread), (3)	6.088%	10/25/29	N/R	1,284,715
912	Fannie Mae, Connecticut Avenue Securities, Series 2017-C03, (1-Month LIBOR reference rate + 0.950% spread), (3)	2.188%	10/25/29	Baa3	919,583
1,045	Fannie Mae, Connecticut Avenue Securities, Series 2017-C04, (1-Month LIBOR reference rate + 5.050% spread), (3)	6.288%	11/25/29	N/R	1,124,455

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475	Fannie Mae, Connecticut Avenue Securities, Series 2017-C04, (1-Month LIBOR reference rate + 2.850% spread), (3)	4.088%	11/25/29	B	493,790
1,110	Fannie Mae, Connecticut Avenue Securities, Series 2017-C05, (1-Month LIBOR reference rate + 3.600% spread), (3)	4.838%	1/25/30	N/R	1,105,776
810	Fannie Mae, Connecticut Avenue Securities, Series 2017-C05, (1-Month LIBOR reference rate + 2.200% spread), (3)	3.438%	1/25/30	B3	818,321
1,000	Fannie Mae, Connecticut Avenue Securities, Series 2017-C06, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.778%	2/25/30	N/R	1,031,613
350	Fannie Mae, Connecticut Avenue Securities, Series 2017-C06, (1-Month LIBOR reference rate + 4.150% spread), (3)	5.478%	2/25/30	N/R	364,222
550	Fannie Mae, Connecticut Avenue Securities, Series 2017-C07, (1-Month LIBOR reference rate + 4.000% spread), (3)	5.243%	5/25/30	N/R	570,302
535	Fannie Mae, Connecticut Avenue Securities, Series 2017-C07, (1-Month LIBOR reference rate + 2.500% spread), (3)	3.743%	5/25/30	B	550,831

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 867	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	\$ 740,573
457	First Horizon Alternative Mortgage Securities Trust, Mortgage Pass-Through Certificates Series 2006-FA3	6.000%	7/25/36	Ca	389,792
889	First Horizon Alternative Mortgage Securities Trust, Pass-Through Certificates, Series 2005-A7	3.186%	9/25/35	Caa2	856,315
5,230	Freddie Mac Collateralized Mortgage REMIC Series 4338, (I/O)	2.490%	6/25/42	N/R	695,524
1,196	Freddie Mac Mortgage Trust, 144A	3.389%	7/25/22	Baa3	1,148,974
390	Freddie Mac Mortgage Trust, 144A	3.976%	8/25/27	Baa2	364,830
195	Freddie Mac Mortgage Trust, 144A	4.079%	9/25/49	A3	195,849
1,495	Freddie Mac Mortgage Trust, 144A	3.365%	5/25/45	AA	1,497,068
290	Freddie Mac Mortgage Trust, 144A	3.487%	11/25/23	BBB	289,326
515	Freddie Mac Mortgage Trust, 144A	4.012%	2/25/24	BBB	499,603
675	Freddie Mac Mortgage Trust, 144A, (1-Month LIBOR reference rate + 3.250% spread), (3)	4.482%	3/25/27	N/R	674,877
270	Freddie Mac Mortgage Trust, 144A	3.966%	7/25/49	BBB	265,270
525	Freddie Mac Mortgage Trust, 144A, (1-Month LIBOR reference rate + 2.550% spread), (3)	3.790%	6/25/27	N/R	524,993
412	Freddie Mac Mortgage Trust, 144A	5.278%	9/25/43	N/R	435,626
965	Freddie Mac Multifamily Aggregation Period Risk Transfer Trust, Series 2017-KT01, 144A	4.566%	2/25/20	N/R	957,600
1,175	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, 144A	3.951%	8/25/47	A3	1,186,274
600	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2014-K715, 144A	4.125%	2/25/46	A3	609,537
935	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K44, 144A	3.810%	1/25/48	BBB	894,497
385	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2015-K714, 144A	3.980%	1/25/47	Baa1	385,879
496	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through	3.681%	11/25/47	Baa1	501,604

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	Certificates, Series 2015-K721, 144A				
373	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K54, 144A	4.189%	4/25/48	BBB	361,850
384	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K56, 144A	4.073%	6/25/49	BBB	370,694
265	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2017-K728, 144A	3.647%	9/25/24	BBB	254,036
320	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2017-K728, 144A	3.726%	10/25/49	BBB	304,812
390	Freddie Mac Multifamily Mortgage Trust, Structured Pass-Through Certificates, Series 2017-KF40, 144A, (1-Month LIBOR reference rate + 2.700% spread), (3)	4.072%	11/25/27	N/R	389,999
345	Freddie Mac MultiFamily Mortgage Trust, Structured Pass-Through Certificates, Series 2016-K59, 144A	3.695%	11/25/49	A	341,194
2,000	Freddie Mac Multifamily Structured Pass-Through Certificates FHMS K068, (I/O)	1.996%	10/25/44	N/R	305,876
1,302	Freddie Mac Multifamily Structured Pass-Through Certificates FHMS K068, (I/O)	2.130%	10/25/47	N/R	202,796
5,375	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K025, (I/O)	1.811%	11/25/40	N/R	395,886
7,001	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K031, (I/O)	1.714%	7/25/41	N/R	551,093
5,015	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K034, (I/O)	1.782%	9/25/41	N/R	414,816
3,975	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K037, (I/O)	2.206%	1/25/42	N/R	455,321
5,588	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K049, (I/O)	1.550%	10/25/43	N/R	545,046
1,245	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K061, (I/O)	2.205%	5/25/27	N/R	195,191
1,943	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K065, (I/O)	2.182%	7/25/45	N/R	310,610
10,374	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K714, (I/O)	1.851%	1/25/42	N/R	482,139

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Portfolio of Investments (continued)

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 1,300	Freddie Mac Multifamily Structured Pass-Through Certificates, Series K013, (I/O)	2.909%	1/25/43	N/R	\$ 105,461
4,579	Freddie Mac Multifamily Structures Pass-Through Certificates, Series 2011-K012, (I/O)	2.252%	1/25/41	N/R	289,416
225	Freddie Mac MultiFamily Trust, Structured Pass-Through Certificates, Series 2014-K37, 144A	4.558%	1/25/47	A	230,208
4,885	Freddie Mac Structured Pass-Through Certificates, Series K711 X3, (I/O)	1.619%	8/25/40	N/R	123,663
1,450	General Electric Capital Commercial Mortgage Corporation, Commercial Mortgage Pass-Through Certificates, Series 2007-C1	5.606%	12/10/49	B	1,467,651
627	Ginnie Mae Mortgage Pool, (I/O)	4.000%	9/16/26	N/R	67,326
3,580	Ginnie Mae Mortgage Pool, (I/O)	3.000%	12/16/27	N/R	341,667
100	Ginnie Mae Mortgage Pool	3.000%	1/20/40	N/R	96,374
106	Ginnie Mae Mortgage Pool	3.000%	2/16/40	N/R	100,577
525	Ginnie Mae Mortgage Pool	3.000%	11/20/41	N/R	499,740
465	Ginnie Mae Mortgage Pool	2.500%	9/20/42	N/R	422,300
205	Ginnie Mae Mortgage Pool	3.500%	8/16/43	N/R	208,521
250	Ginnie Mae Mortgage Pool	3.000%	3/20/44	N/R	237,841
750	Ginnie Mae Mortgage Pool	3.500%	8/20/44	N/R	762,369
750	Ginnie Mae Mortgage Pool	3.000%	9/20/44	N/R	715,393
738	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2005-AF2	6.000%	12/25/35	N/R	656,328
585	GMACM Mortgage Corporation, Mortgage Pass-Through Certificates, Series 2006-AR1	3.838%	4/19/36	Caa3	549,287
1,148	Goldman Sachs GSAA Home Equity Trust, Series 2007-8, (1-Month LIBOR reference rate + 0.450% spread), (3)	1.779%	8/25/37	B1	1,080,949
375	Goldman Sachs Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2017-500K, 144A, (1-Month LIBOR reference rate + 1.800% spread), (3)	3.051%	7/15/32	N/R	375,544
241		3.467%	3/25/47	D	222,356

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	Goldman Sachs Mortgage Securities Corporation, GSR Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-AR1				
1,130	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2014-GC20, 144A	5.020%	4/10/47	BBB	747,706
517	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2015-GC32, 144A	2.753%	5/10/49	BBB	412,571
701	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2017-GS5, 144A	3.509%	3/10/50	BBB	597,091
775	Goldman Sachs Mortgage Securities Trust, Mortgage Pass-Through Certificates, Series 2017-GS6, 144A	3.243%	5/10/50	BBB	630,167
525	Goldman Sachs Mortgage Securities Trust, Series 2014-GC18	5.109%	1/10/47	A3	542,287
315	Government National Mortgage Association Pool, (I/O)	4.500%	10/20/39	N/R	36,918
222	GSR Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-AR2	3.612%	5/25/37	D	194,528
571	IndyMac INDA Mortgage Loan Trust, Series 2007-AR3	3.392%	7/25/37	Caa2	532,332
763	IndyMac INDX Mortgage Loan Trust, Series 07-AR5	3.505%	5/25/37	Ca	703,630
917	IndyMac INDX Mortgage Loan Trust, Series 2005-AR11	3.314%	8/25/35	Caa3	830,219
1,233	IndyMac INDX Mortgage Loan Trust, Series 2005-AR23	3.368%	11/25/35	Caa3	1,148,936
185	IndyMac INDX Mortgage Loan Trust, Series 2006-AR11	3.634%	6/25/36	Ca	171,424
536	IndyMac INDX Mortgage Loan Trust, Series 2006-AR3	2.876%	3/25/36	Ca	515,271
385	InSite Issuer LLC, Series 2016-1A, 144A	6.414%	11/15/46	BB	392,782
297	JPMorgan Mortgage Trust, Mortgage Pass-Through Certificates, Series 2006-A4	3.778%	6/25/36	Caa2	282,242
208	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2006-S4 A5	6.000%	1/25/37	Caa3	174,516
505	JPMorgan Chase Commercial Mortgage Securities Corporation, Commercial Mortgage Pass-Through Certificates, Series 2011-C5, 144A	5.588%	8/15/46	Baa3	500,447
1,300	JPMorgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates Series 2006-LDP9	5.337%	5/15/47	Ba1	1,300,790

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750	JPMorgan Chase Commercial Mortgage Securities Trust, Pass-Through Certificates 2012-C8, 144A	3.977%	10/15/45	AA+	769,030
1,084	JPMorgan JPMBB Commercial Mortgage Securities Trust, Pass-Through Certificates, Series 2014-C23, 144A	4.106%	9/15/47	BBB	933,989
652	JPMorgan Mortgage Acquisition Trust, Series 2006-A6	3.574%	10/25/36	Caa2	589,936
305	JPMBD Commercial Mortgage Securities Trust, Series 2016-C4, 144A	3.224%	12/15/49	BBB	239,945

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 366	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-2, 144A, (1-Month LIBOR reference rate + 2.000% spread), (3)	3.242%	2/1/22	N/R	\$ 375,832
217	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-3, 144A, (1-Month LIBOR reference rate + 2.000% spread), (3)	3.242%	4/1/22	N/R	216,627
619	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-6, 144A, (1-Month LIBOR reference rate + 1.750% spread), (3)	2.992%	9/1/22	N/R	619,098
924	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-7, 144A, (1-Month LIBOR reference rate + 1.750% spread), (3)	2.992%	10/1/22	N/R	922,967
607	LSTAR Securities Investment Trust, Mortgage Pass-Through Certificates, Series 2017-8, 144A, (1-Month LIBOR reference rate + 1.650% spread), (3)	2.894%	11/1/22	N/R	607,176
897	Merrill Lynch Mortgage-Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-2, (H15TIY reference rate + 2.400% spread), (3)	3.830%	8/25/36	Caa2	875,952
922	Merrill Lynch Mortgage-Backed Securities Trust, Mortgage Loan Asset Backed Notes, Series 2007-3	3.608%	6/25/37	D	766,576
1,243	MFRA Trust, Series 2017-NPL1, 144A	3.352%	11/25/47	N/R	1,240,825
323	Mill City Mortgage Loan Trust, Series 2016-1, 144A	2.500%	4/25/57	Aaa	320,942
353	ML_CFC Commercial Mortgage Trust, Pass-Through Certificates, Series 2007-8	5.980%	8/12/49	BB	354,536
625	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.408%	10/12/52	Ba2	434,802
440	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates 2006-TOP21, 144A	5.408%	10/12/52	B2	37,985
784	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-TOP25	5.574%	11/12/49	Ba2	790,465
600	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2008-T29, 144A	6.497%	1/11/43	BBB	598,433
445		3.000%	11/15/49	BBB	356,789

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	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK2, 144A				
1,525	Morgan Stanley Capital I Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CLS, 144A, (1-Month LIBOR reference rate + 2.600% spread), (3)	3.850%	11/15/34	B3	1,526,438
1,480	Morgan Stanley Mortgage Capital Holdings LLC, Series 2017-237P, 144A	3.865%	9/13/39	BB	1,338,718
159	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2006-3AR	3.468%	3/25/36	Caa3	139,492
1,168	Morgan Stanley Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-13	6.000%	10/25/37	D	998,720
460	Mortgage Asset Securitization Transactions Inc., Adjustable Rate Mortgage Pass-Through Certificates, Series 2007-HF2, (1-Month LIBOR reference rate + 0.310% spread), (3)	1.548%	9/25/37	B1	441,729
723	Mortgage IT Trust, Mortgage-Backed Notes, Series 2006-1, (1-Month LIBOR reference rate + 0.200% spread), (3)	1.529%	4/25/36	Ca	642,136
174	Nationstar HECM Loan Trust, Series 2017-1A, 144A	1.968%	5/25/27	Aaa	173,278
164	New Residential Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2016-3A, 144A	3.250%	9/25/56	Aaa	165,047
348	Oak Hill Advisors Residential Loan Trust, Series 2017-NPL1, 144A	3.000%	6/25/57	N/R	347,379
534	Opteum Mortgage Acceptance Corporation, Asset-Backed Pass-Through Certificates, Series 2006-1, (1-Month LIBOR reference rate + 0.300% spread), (3)	1.538%	4/25/36	CCC	512,003
802	Residential Accredit Loans Inc., Hybrid Adjustable Rate Mortgages, 2006-QA6, (1-Month LIBOR reference rate + 0.190% spread), (3)	1.519%	7/25/36	Caa3	733,064
1,222	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA10 A31	4.280%	9/25/35	Caa3	1,027,543
723	Residential Accredit Loans Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS1	5.750%	1/25/36	Caa3	681,737
433	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS2	6.250%	1/25/37	Caa3	360,001

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Portfolio of Investments (continued)

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 663	Residential Accredit Loans Inc., RALI Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QA1	4.374%	1/25/36	Caa3	\$ 571,942
2,255	Residential Asset Mortgage Products, Mortgage Asset-Backed Pass-Through Certificates, Series 2006-NC2, (1-Month LIBOR reference rate + 0.290% spread), (3)	1.619%	2/25/36	Aa3	2,177,681
1,006	Sequoia Mortgage Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.345%	2/20/47	D	898,540
1,058	Structured Adjustable Rate Mortgage Loan Pass Through Trust, Series 2007-6 2A1, (1-Month LIBOR reference rate + 0.190% spread), (3)	1.518%	7/25/37	CCC	973,597
1,125	Structured Agency Credit Risk Debt Notes, Series 2013-DN2, (1-Month LIBOR reference rate + 4.250% spread), (3)	5.488%	11/25/23	BB	1,251,873
339	Structured Agency Credit Risk Debt Notes, Series 2015-DNA1, (1-Month LIBOR reference rate + 9.200% spread), (3)	10.438%	10/25/27	N/R	458,193
300	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3, (1-Month LIBOR reference rate + 4.700% spread), (3)	5.938%	4/25/28	BB	354,374
1,642	Structured Agency Credit Risk Debt Notes, Series 2015-DNA3, (1-Month LIBOR reference rate + 2.850% spread), (3)	4.088%	4/25/28	BBB+	1,699,855
1,097	Structured Agency Credit Risk Notes, Series 2014-HQ2, (1-Month LIBOR reference rate + 2.200% spread), (3)	3.528%	9/25/24	Aa3	1,131,955
629	Structured Agency Credit Risk Notes, Series 2015-HQA2, (1-Month LIBOR reference rate + 10.500% spread), (3)	11.738%	5/25/28	N/R	868,796
1,292	Structured Agency Credit Risk Notes, Series 2016-DNA1, (1-Month LIBOR reference rate + 5.550% spread), (3)	6.878%	7/25/28	Ba2	1,562,842

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1,425	Structured Agency Credit Risk Notes, Series 2016-DNA1, (1-Month LIBOR reference rate + 2.900% spread), (3)	4.228%	7/25/28	Baa1	1,468,473
250	Structured Agency Credit Risk Notes, Series 2016-DNA4, (1-Month LIBOR reference rate + 3.800% spread), (3)	5.038%	3/25/29	B	279,041
945	Structured Agency Credit Risk Notes, Series 2016-DNA4, (1-Month LIBOR reference rate + 1.300% spread), (3)	2.538%	3/25/29	BBB	959,088
1,443	Structured Agency Credit Risk Notes, Series 2016-HQA1, (1-Month LIBOR reference rate + 2.750% spread), (3)	3.988%	9/25/28	BBB	1,483,392
1,109	Structured Agency Credit Risk Notes, Series 2016-HQA2, (1-Month LIBOR reference rate + 2.250% spread), (3)	3.488%	11/25/28	Baa2	1,137,622
809	Structured Agency Credit Risk Notes, Series 2016-HQA3, (1-Month LIBOR reference rate + 9.000% spread), (3)	10.328%	3/25/29	N/R	1,017,929
675	Structured Agency Credit Risk Notes, Series 2016-HQA3, (1-Month LIBOR reference rate + 3.850% spread), (3)	5.178%	3/25/29	B+	751,617
1,196	Structured Agency Credit Risk Notes, Series 2016-HQA3, (1-Month LIBOR reference rate + 1.350% spread), (3)	2.678%	3/25/29	BBB	1,213,467
615	Structured Agency Credit Risk Notes, Series 2016-HQA4, (1-Month LIBOR reference rate + 8.750% spread), (3)	9.988%	4/25/29	N/R	750,137
1,260	Structured Agency Credit Risk Notes, Series 2016-HQA4, (1-Month LIBOR reference rate + 1.300% spread), (3)	2.538%	4/25/29	BBB	1,276,519
470	Structured Agency Credit Risk Notes, Series 2017-DNA2, (1-Month LIBOR reference rate + 11.250% spread), (3)	12.578%	10/25/29	N/R	470,729
570	Structured Agency Credit Risk Notes, Series 2017-DNA2, (1-Month LIBOR reference rate + 5.150% spread), (3)	6.478%	10/25/29	N/R	634,635
400	Structured Agency Credit Risk Notes, Series 2017-DNA2, (1-Month LIBOR reference rate + 3.450% spread), (3)	4.778%	10/25/29	B+	435,126
250	Structured Agency Credit Risk Notes, Series 2017-DNA3, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.778%	3/25/30	N/R	267,834
575	Structured Agency Credit Risk Notes, Series 2017-HQA1, (1-Month LIBOR reference rate + 5.000% spread), (3)	6.238%	8/25/29	N/R	618,818
1,105	Structured Agency Credit Risk Notes, Series 2017-HQA2, (1-Month LIBOR reference rate + 4.750% spread), (3)	6.078%	12/25/29	N/R	1,166,648
785	Structured Agency Credit Risk Notes, Series 2017-HQA3, (1-Month LIBOR reference rate + 4.750% spread), (3)	6.078%	10/25/24	BB	868,257

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250	Structured Agency Credit Risk Notes, Series 2017-HQA3, (1-Month LIBOR reference rate + 4.450% spread), (3)	5.688%	4/25/30	N/R	261,499
275	Structured Agency Credit Risk Notes, Series 2017-HRP1, (1-Month LIBOR reference rate + 2.500% spread), (3)	3.907%	12/25/42	N/R	248,057
755	SunTrust Adjustable Rate Mortgage Loan Trust, Mortgage Pass-Through Certificates, Series 2007-1	3.576%	2/25/37	N/R	638,231

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
MORTGAGE-BACKED SECURITIES (continued)					
\$ 380	TMSQ Mortgage Trust, Series 2014-1500, 144A	3.835%	10/10/36	Baa1	\$ 367,718
940	US Residential Opportunity Fund Trust, Series 2017-1III, 144A	3.352%	11/27/37	N/R	937,339
805	Vericrest Opportunity Loan Transferee, Series 2017-NP10, 144A	4.625%	10/25/47	N/R	801,159
785	Vericrest Opportunity Loan Transferee, Series 2017-NP11, 144A	4.625%	10/25/47	N/R	776,038
345	Vericrest Opportunity Loan Transferee, Series 2017-NPL1, 144A	3.250%	5/25/47	N/R	346,309
1,347	Vericrest Opportunity Loan Transferee, Series 2017-NPL3, 144A	3.500%	3/25/47	N/R	1,352,517
649	Vericrest Opportunity Loan Transferee, Series 2017-NPL4, 144A	3.375%	4/25/47	N/R	651,678
780	Vericrest Opportunity Loan Transferee, Series 2017-NPL5, 144A	5.375%	5/28/47	N/R	780,084
1,505	Vericrest Opportunity Loan Transferee, Series 2017-NPL7, 144A	5.375%	4/25/59	N/R	1,504,936
685	Vericrest Opportunity Loan Transferee, Series 2017-NPL8, 144A	5.000%	6/25/47	N/R	682,264
247	Vericrest Opportunity Loan Transferee, Series 2017-NPL9, 144A	3.125%	9/25/47	N/R	246,882
675	VNO Mortgage Trust, Series 2012-6AVE, 144A	3.337%	11/15/30	A	677,515
705	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C30	5.413%	12/15/43	B+	719,256
455	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	6.159%	4/15/47	B3	466,200
576	Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2007-C31	5.660%	4/15/47	A+	585,060
1,175	Wachovia Commercial Mortgage Trust, Pass-Through Certificates, Series 2005-C21, 144A	5.468%	10/15/44	B+	722,803
350	Washington Mutual Mortgage Pass-Through Certificates Trust 2006-AR14	2.963%	11/25/36	D	333,850
425	Washington Mutual Mortgage Pass-Through Certificates,	2.630%	1/25/37	D	390,500

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Series 2006-AR					
1,199	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR17, (12MTA reference rate + 0.820% spread), (3)	1.822%	12/25/46	Caa3	1,081,726
359	Washington Mutual Mortgage Securities Corporation, Mortgage Pass-Through Certificates, Series 2007-HY1, (1-Month reference rate + 0.160% spread), (3)	1.488%	2/25/37	Caa3	290,284
564	Washington Mutual Mortgage Securities Corporation. Mortgage Pass-Through Certificates, Series 2006-AR7, (12MTA reference rate + 0.980% spread), (3)	1.982%	7/25/46	Caa3	536,432
690	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-LC22	4.693%	9/15/58	BBB	615,279
1,440	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2015-NXS1	4.239%	5/15/48	BBB	1,278,768
215	Wells Fargo Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2016-BNK1, 144A	3.000%	8/15/49	BBB	172,141
482	Wells Fargo Mortgage Backed Securities, Collateralized Mortgage Obligation, Series 2007-AR7 A1	3.660%	12/28/37	Caa3	467,115
730	Wells Fargo-RBS Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2014-C20, 144A	3.986%	5/15/47	N/R	559,489
\$ 217,194	Total Mortgage-Backed Securities (cost \$151,270,040)				154,089,994

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
ASSET-BACKED SECURITIES 13.5% (9.2% of Total Investments)					
\$ 465	Alm Loan Funding Trust, Series 2013-7RA, 144A, (3-Month LIBOR reference rate + 4.040% spread), (3)	5.399%	10/15/28	Baa3	\$ 480,796
770	Atlas Senior Loan Fund Ltd, Series 2012 -2A, 144A, (3-Month LIBOR reference rate 3.900% spread), (3)	5.278%	1/30/24	BBB+	772,863
445	Avant Loans Funding Trust, Series 2017-B, 144A	3.380%	4/15/21	N/R	445,631
400		4.453%	7/17/26	Baa3	400,866

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	Avery Point CLO Limited, Series 2014-5A, 144A, (3-Month LIBOR reference rate + 3.100% spread), (3)				
250	BlueMountain Collateralized Loan Obligation, Series 2014-1A, 144A, (3-Month LIBOR reference rate 3.450% spread), (3)	4.828%	4/30/26	BBB	250,789
680	Bowman Park CLO Limited, Series 2014-1A, 144A, (3-Month LIBOR reference rate 3.350% spread), (3)	4.812%	11/23/25	BBB	685,222
550	Carlyle Global Market Strategies, Collateralized Loan Obligations, Series 2014-3A, 144A, (3-Month LIBOR reference rate + 3.270% spread), (3)	4.644%	7/27/26	Baa1	554,479

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

December 31, 2017

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
ASSET-BACKED SECURITIES (continued)					
\$ 250	Carlyle Global Market Strategies, Collateralized Loan Obligations, Series 2014-4A, 144A, (3-Month LIBOR reference rate + 3.600% spread), (3)	4.959%	10/15/26	Baa2	\$ 250,439
625	CIFC Funding Limited, Series 2014-3A, 144A, (3-Month LIBOR reference rate 3.150% spread), (3)	4.513%	7/22/26	Baa3	627,626
280	Consumer Loan Underlying Bond Credit Trust, Series 2017-NP1, 144A	3.560%	1/15/24	N/R	279,746
175	CPS Auto Trust, 144A	2.300%	7/15/21	AA	174,270
550	Magnetite CLO Limited, Series 2012-7A, 144A, (3-Month LIBOR reference rate 3.750% spread), (3)	5.109%	1/15/25	A2	552,030
750	Octagon Investment Partners, Series 2013-1A, 144A, (3-Month LIBOR reference rate 3.050% spread), (3)	4.417%	10/25/25	BBB	750,221
270	Octagon Investment Partners, Series 2014-1A, 144A, (3-Month LIBOR reference rate 3.500% spread), (3)	4.859%	4/15/26	Baa2	270,226
1,225	OneMain Financial Issuance Trust, Series 2016-2A, 144A	4.100%	3/20/28	A+	1,240,818
1,196	Prestige Auto Receivables Trust, Series 2016-2A, 144A	3.910%	11/15/22	BBB	1,200,142
251	Prosper Marketplace Issuance Trust, Series 2017-2A, 144A	3.480%	9/15/23	BBB	251,562
235	Seneca Park CLO Limited, Asset Backed Securities, Series 2014-1A, 144A, (3-Month LIBOR reference rate 3.500% spread), (3)	4.853%	7/17/26	Baa3	235,802
1,600	Sofi Consumer Loan Program Trust, Series 2016-3, 144A	4.490%	12/26/25	N/R	1,637,303
385	Sofi Consumer Loan Program Trust, Series 2017-3, 144A	2.770%	5/25/26	AA	385,202
433	Sofi Consumer Loan Program Trust, Series 2017-4, 144A	2.500%	5/26/26	AA	431,595
445	United Auto Credit Securitization Trust, Series 2017-1, 144A	5.090%	3/10/23	BB	441,745

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750	Westlake Auto Receivables Trust, Series 2015-3A, 144A	5.890%	7/15/22	BB	764,474
650	Westlake Auto Receivables Trust, Series 2017-1A, 144A	5.050%	8/15/24	BB	660,172
885	Westlake Auto Receivables Trust, Series 2017-1A, 144A	3.460%	10/17/22	BBB	888,645
1,065	Westlake Auto Receivables Trust, Series 2017-2A, 144A	3.280%	12/15/22	BBB	1,055,844
\$ 15,580	Total Asset-Backed Securities (cost \$15,719,830)				15,688,508
	Total Investments (cost \$166,989,870)				169,778,502
	145.9%				
	Borrowings (39.7)% (4), (5)				(46,200,000)
	Other Assets Less Liabilities (6.2)%				(7,245,549)
	Net Assets 100%				\$ 116,332,953

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies. Ratings are not covered by the report of independent registered public accounting firm.
- (3) Variable rate security. The rate shown is the coupon as of the end of the reporting period.
- (4) Borrowings as a percentage of total investments is 27.2%.
- (5) The Fund segregates 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for borrowings.
- (I/O) Interest only security.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

See accompanying notes to financial statements.

Statement of**Assets and Liabilities****December 31, 2017**

	JLS	JMT
Assets		
Long-term investments, at value (cost \$556,811,160 and \$166,989,870, respectively)	\$ 565,891,848	\$ 169,778,502
Receivable for interest	1,732,378	536,941
Other assets	42,657	1,172
Total assets	567,666,883	170,316,615
Liabilities		
Cash overdraft	26,940,731	7,385,293
Borrowings	147,200,000	46,200,000
Accrued expenses:		
Management fees	522,556	159,210
Interest on borrowings	351,184	110,222
Trustees fees	44,556	1,294
Other	155,123	127,643
Total liabilities	175,214,150	53,983,662
Net assets	\$ 392,452,733	\$ 116,332,953
Shares outstanding	15,888,417	4,871,277
Net asset value (NAV) per share outstanding	\$ 24.70	\$ 23.88
Net assets consist of:		
Shares, \$0.01 par value per share	\$ 158,884	\$ 48,713
Paid-in surplus	372,270,916	110,577,509
Undistributed (Over-distribution of) net investment income	(2,669,452)	(744,694)
Accumulated net realized gain (loss)	13,611,697	3,662,793
Net unrealized appreciation (depreciation)	9,080,688	2,788,632
Net assets	\$ 392,452,733	\$ 116,332,953
Authorized shares	Unlimited	Unlimited

See accompanying notes to financial statements.

Statement of**Operations****Year Ended December 31, 2017**

	JLS	JMT
Investment Income	\$ 31,637,050	\$ 10,045,008
Expenses		
Management fees	6,130,001	1,868,402
Interest expense on borrowings	3,863,882	1,212,713
Custodian fees	26,384	23,767
Trustees fees	18,701	5,590
Professional fees	172,247	156,585
Shareholder reporting expenses	58,728	20,922
Shareholder servicing agent fees	142	232
Stock exchange listing fees	6,958	6,958
Investor relations expense	103,893	31,230
Other	25,632	21,953
Total expenses	10,406,568	3,348,352
Net investment income (loss)	21,230,482	6,696,656
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) from investments	25,623,988	7,265,808
Change in net unrealized appreciation (depreciation) of investments	714,875	(110,291)
Net realized and unrealized gain (loss)	26,338,863	7,155,517
Net increase (decrease) in net assets from operations	\$ 47,569,345	\$ 13,852,173

See accompanying notes to financial statements.

Statement of**Changes in Net Assets**

	JLS		JMT	
	Year Ended 12/31/17	Year Ended 12/31/16	Year Ended 12/31/17	Year Ended 12/31/16
Operations				
Net investment income (loss)	\$ 21,230,482	\$ 24,842,532	\$ 6,696,656	\$ 7,291,667
Net realized gain (loss) from:				
Investments	25,623,988	1,976,786	7,265,808	260,275
Futures contracts		(91,714)		(19,108)
Change in net unrealized appreciation (depreciation) of:				
Investments	714,875	(531,861)	(110,291)	(57,561)
Futures contracts		(19,600)		(6,605)
Net increase (decrease) in net assets from operations	47,569,345	26,176,143	13,852,173	7,468,668
Distributions to Shareholders				
From net investment income	(30,885,494)	(22,672,771)	(8,586,113)	(6,941,570)
From accumulated net realized gains	(21,835,451)	(4,499,600)	(6,539,689)	(1,199,796)
Decrease in net assets from distributions to shareholders	(52,720,945)	(27,172,371)	(15,125,802)	(8,141,366)
Net increase (decrease) in net assets	(5,151,600)	(996,228)	(1,273,629)	(672,698)
Net assets at the beginning of period	397,604,333	398,600,561	117,606,582	118,279,280
Net assets at the end of period	\$ 392,452,733	\$ 397,604,333	\$ 116,332,953	\$ 117,606,582
Undistributed (Over-distribution of) net investment income at the end of period	\$ (2,669,452)	\$ 3,016,914	\$ (744,694)	\$ 130,598

See accompanying notes to financial statements.

Statement of**Cash Flows****Year Ended December 31, 2017**

	JLS	JMT
Cash Flows from Operating Activities:		
Net Increase (Decrease) In Net Assets from Operations	\$ 47,569,345	\$ 13,852,173
Adjustments to reconcile the net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(482,152,125)	(145,890,421)
Proceeds from sales and maturities of investments	479,141,942	144,429,720
Proceeds from (Purchases of) short-term investments, net	13,836,063	4,945,822
Taxes paid	(101,996)	(30,250)
Amortization (Accretion) of premiums and discounts, net	(2,083,108)	(645,069)
(Increase) Decrease in:		
Receivable for interest	(150,281)	(63,900)
Other assets	(6,963)	18
Increase (Decrease) in:		
Accrued management fees	16,233	4,729
Accrued interest on borrowings	64,116	20,123
Accrued Trustees fees	8,433	348
Accrued other expenses	(92,659)	(91,024)
Net realized (gain) loss from:		
Investments	(25,623,988)	(7,265,808)
Paydowns	(3,995,837)	(1,656,665)
Change in net unrealized (appreciation) depreciation of investments	(714,875)	110,291
Net cash provided by (used in) operating activities	25,714,300	7,720,087
Cash Flows from Financing Activities		
Increase (Decrease) in cash overdraft	26,940,731	7,385,293
Cash distributions paid to shareholders	(52,720,945)	(15,125,802)
Net cash provided by (used in) financing activities	(25,780,214)	(7,740,509)
Net Increase (Decrease) in Cash	(65,914)	(20,422)
Cash at the beginning of period	65,914	20,422
Cash at the end of period	\$	\$
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest on borrowings (excluding borrowing costs)	\$ 3,799,766	\$ 1,192,590

See accompanying notes to financial statements.

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Financial**Highlights**

Selected data for a share outstanding throughout each period:

	Investment Operations				Less Distributions From Accumulated				Ending NAV	Ending Share Price
	Net Investment Beginning NAV	Net Realized/ Unrealized Gain (Loss)	Net Investment Total	Net Income	Net Realized Gains	Return of Capital	Total			
JLS										
Year ended 12/31:										
2017	\$ 25.02	\$ 1.34	\$ 1.65	\$ 2.99	\$(1.94)	\$(1.37)	\$ (3.31)	\$ 24.70	\$ 24.69	
2016	25.09	1.56	0.08	1.64	(1.43)	(0.28)	(1.71)	25.02	24.07	
2015	26.16	1.28	(0.83)	0.45	(1.13)	(0.25)	(0.14)	(1.52)	25.09	22.71
2014	25.84	1.25	0.62	1.87	(1.00)	(0.55)*	* (1.55)	26.16	23.15	
2013	26.59	1.08	0.99	2.07	(1.44)	(1.38)*	* (2.82)	25.84	23.14	
JMT										
Year ended 12/31:										
2017	24.14	1.37	1.47	2.84	(1.76)	(1.34)	(3.10)	23.88	23.74	
2016	24.28	1.50	0.04	1.54	(1.43)	(0.25)	(1.68)	24.14	23.16	
2015	25.41	1.20	(0.80)	0.40	(1.01)	(0.19)	(0.33)	(1.53)	24.28	22.29
2014	25.08	1.22	0.67	1.89	(0.85)	** (0.71)	(1.56)	25.41	23.17	
2013	26.95	1.06	0.79	1.85	(1.43)	(2.26)	(0.03)	(3.72)	25.08	22.97

	Borrowings at the End of Period Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000
JLS		
Year Ended 12/31:		
2017	\$ 147,200	\$ 3,666
2016	147,200	3,701
2015	147,200	3,708
2014	147,200	3,823
2013	124,550	4,296
JMT		
Year Ended 12/31:		
2017	46,200	3,518
2016	46,200	3,546

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2015	46,200	3,560
2014	46,200	3,679
2013	39,450	4,097

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Total Returns		Ratios/Supplemental Data Ratios to Average Net Assets(c)			
Based on NAV(b)	Based on Share Price(b)	Ending Net Assets (000)	Expenses	Net Investment Income (Loss)	Portfolio Turnover Rate(d)
12.21%	16.79%	\$ 392,453	2.51%	5.12%	85%
6.79	13.97	397,604	2.42	6.29	73
1.71	4.82	398,601	2.24	4.96	24
7.31	6.72	415,575	2.20	4.72	17
7.96	(4.85)	410,532	2.22	3.99	22
12.01	16.34	116,333	2.73	5.47	85
6.56	11.83	117,607	2.67	6.24	76
1.56	3.01	118,279	2.47	4.79	23
7.63	7.81	123,780	2.42	4.72	16
7.05	(1.84)	122,193	2.38	3.91	21

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

(b) 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.

Total Return Based on Share Price 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.

(c) Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to reverse repurchase agreements (where applicable) and/or borrowings (as described in Note 8 – Borrowing Arrangements).

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

Ratios of Interest Expense

to Average Net Assets

Year ended 12/31:	
2017	0.93%
2016	0.79
2015	0.63
2014	0.60
2013	0.65

**Ratios of Interest Expense
to Average Net Assets**

JMT	
Year ended 12/31:	
2017	0.99%
2016	0.84
2015	0.66
2014	0.63
2013	0.66

(d) 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.

* Revised to reclassify the per share return of capital of \$0.06 and \$0.32 to a realized gain distribution for the fiscal years ended December 31, 2013 and December 31, 2014, respectively.

** Rounds to less than \$0.01 per share.

See accompanying notes to financial statements.

Notes to

Financial Statements

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)

Nuveen Mortgage Opportunity Term Fund 2 (JMT)

The Funds are registered under the Investment Company Act of 1940, as amended, as diversified closed-end management investment companies. JLS and JMT were organized as Massachusetts business trusts on September 10, 2009 and December 16, 2009, respectively. It is anticipated that JLS and 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.

The end of the reporting period for the Funds is December 31, 2017, and the period covered by these Notes to Financial Statements is the fiscal year ended December 31, 2017 (the current fiscal period).

Investment Adviser

The Funds' investment adviser is Nuveen Fund Advisors, LLC (the Adviser), a subsidiary of Nuveen, LLC (Nuveen). Nuveen is the investment management arm of Teachers Insurance and Annuity Association of America (TIAA). The Adviser has overall responsibility for management of the Funds, oversees the management of the Funds' portfolios, manages the Funds' business affairs and provides certain clerical, bookkeeping and other administrative services, and, if necessary, asset allocation decisions. The Adviser has entered into sub-advisory agreements with Wellington Management Company LLP (Wellington Management) and Nuveen Asset Management, LLC (NAM). Wellington Management manages the Funds' investments in mortgage-backed securities (MBS) and other permitted investments.

Investment Objectives and Principal Investment Strategies

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) 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.

Significant Accounting Policies

Each Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 Financial Services Investment Companies. 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 of America (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 earmarked securities in their portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments.

As of the end of the reporting period, the Funds did not have any outstanding when issued/delayed delivery purchase commitments.

Investment Income

Investment income is comprised of interest income, which reflects the amortization of premiums and accretion of discounts for financial reporting purposes, and is recorded on an accrual basis. Investment income also reflects payment-in-kind (PIK) interest and paydown gains and losses, if any. PIK interest represents income received in the form of securities in lieu of cash.

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 (the Board), each Fund seeks to establish a distribution rate that roughly corresponds to the cash flows from its investment strategies through regular distributions (a Cash Flow-Based Distribution Program). Each Fund seeks to establish a relatively stable common share distribution rate that roughly corresponds to the Fund s net cash flows after expense from its investments over an extended period of time. Actual net cash flows the Funds receive may differ from each Fund s distribution rate over shorter time periods over a specific timeframe. The portion of distributions paid attributed to net unrealized gains, if any, is distributed from a 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.

Compensation

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

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 Derivatives Association, Inc. (ISDA) master agreements or other similar arrangements (netting agreements). Generally, the right to offset in netting agreements allows each Fund to offset certain securities and derivatives with a specific counterparty, when applicable, as well as 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.

The Funds' investments subject to netting agreements as of the end of the reporting period, if any, are 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 current fiscal period. Actual results may differ from those estimates.

Notes to Financial Statements (continued)**2. Investment Valuation and Fair Value Measurements**

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

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).

Prices of fixed-income securities are provided by an independent pricing service (pricing service) approved by the Board. 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 observability of the significant inputs.

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 Board and/or its appointee 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.

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These securities are generally classified as Level 2 or Level 3 depending on the observability of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Board and/or its appointee.

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:

JLS	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Mortgage-Backed Securities	\$	\$ 512,500,712	\$	\$ 512,500,712
Asset-Backed Securities		53,391,136		53,391,136
Total	\$	\$ 565,891,848	\$	\$ 565,891,848
JMT				
Long-Term Investments:				
Mortgage-Backed Securities	\$	\$ 154,089,994	\$	\$ 154,089,994
Asset-Backed Securities		15,688,508		15,688,508
Total	\$	\$ 169,778,502	\$	\$ 169,778,502

The Board is responsible for the valuation process and has appointed 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, is responsible for making fair value determinations, evaluating the effectiveness of the Funds' pricing policies and reporting to the Board. 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.

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, 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.

3. Portfolio Securities and Investments in Derivatives

Investments in Derivatives

Each Fund is authorized to invest in certain derivative instruments such as futures, options and swap contracts. Each Fund limits 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.

Although the Funds are authorized to invest in derivative instruments, and may do so in the future, they did not make any such investments during the current fiscal period.

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

The Funds did not have any transactions in shares during the current and prior fiscal period.

Notes to Financial Statements (continued)**5. Investment Transactions**

Long-term purchases and sales (including maturities) during the current fiscal period were as follows:

	JLS	JMT
Purchases	\$ 482,152,125	\$ 145,890,421
Sales and maturities	479,141,942	144,429,720

6. Income Tax Information

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net 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 market discount accretion on investments and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below.

Temporary differences do not require reclassification. Temporary and permanent differences do not impact the NAVs of the Funds.

The table below presents the cost and unrealized appreciation (depreciation) of each Fund's investment portfolio, as determined on a federal income tax basis, as of December 31, 2017.

	JLS	JMT
Tax cost of investments	\$ 550,200,564	\$ 165,065,245
Gross unrealized:		
Appreciation	\$ 21,455,050	\$ 6,640,395
Depreciation	(5,763,766)	(1,927,138)
Net unrealized appreciation (depreciation) of investments	\$ 15,691,284	\$ 4,713,257

Permanent differences, primarily due to federal taxes paid, investments in MBS, and treatment of notional principal contracts, resulted in reclassifications among the Funds' components of net assets as of December 31, 2017, the Funds tax year-end, as follows:

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	JLS	JMT
Paid-in surplus	\$ (101,995)	\$ (30,250)
Undistributed (Over-distribution of) net investment income	3,968,646	1,014,165
Accumulated net realized gain (loss)	(3,866,651)	(983,915)

The tax components of undistributed net ordinary income and net long-term capital gains as of December 31, 2017, the Funds' tax year end, were as follows:

	JLS	JMT
Undistributed net ordinary income ¹	\$ 2,549,364	742,207
Undistributed net long-term capital gains	1,782,285	251,267

¹ Net ordinary income consists of net taxable income derived from dividends, interest, and net short-term capital gains, if any.

The tax character of distributions paid during the Funds' tax years ended December 31, 2017 and December 31, 2016, was designated for purposes of the dividends paid deduction as follows:

2017	JLS	JMT
Distributions from net ordinary income ¹	\$ 36,455,973	\$ 10,218,965
Distributions from net long-term capital gains ²	16,264,972	4,906,837